Lexington Housing Production Plan

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Acknowledgments

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Watertown. An Advisory Committee consisting of municipal planning or community development staff and members of a local housing partnership or housing trust from Belmont, Lexington, and Watertown was also established to oversee the development of the subregional analysis and the outreach strategy for the HPP visioning process in each community.

The Metropolitan Area Planning Council (MAPC) is a regional planning agency serving the people who live and work in the 101 cities and towns of Metropolitan Boston. Our mission is promoting smart growth and regional collaboration. MAPC was responsible for undertaking the research, writing, analysis, and partial facilitation of key public meetings for the development of the HPPs. MAPC worked closely with MWCD staff and municipal staff in Belmont, Lexington, and Watertown to undertake a multi-municipal baseline housing trends and needs analysis that formed the basis for developing housing production plans for the three municipalities.

MWCD is a private non-profit community development corporation whose mission is to organize residents, resources, and good ideas to resolve community problems and improve the quality of life for all members in the MetroWest municipalities of Belmont, Lexington, Watertown, and Waltham. MWCD was responsible for convening, outreach and engagement, and facilitation of key public meetings associated with the regional baseline housing trends and needs analysis, and with the HPPs. MWCD was responsible for developing and implementing an outreach and engagement strategy in each HPP municipality, working closely with the planners in each town.

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I. Executive Summary

Lexington is a mid-sized, suburban community in Greater Boston with a population of 30,356 according to Census 2010 figures. Lexington is categorized as an Established Suburb[1] according to MAPC's typology, which are defined as municipalities characterized by single-family homes on moderately-sized lots, with a relatively affluent population.

The Town of Lexington has worked hard to achieve the MGL Chapter 40B 10% Subsidized Housing Inventory (SHI) mandate, which it currently exceeds at 11.1% of year round housing units. However, despite achieving this goal, there is continued need for more housing options affordable to a range of low-, moderate- and middle-income households.

To help maintain and increase affordable housing opportunities within Lexington, the town engaged with the Metropolitan Area Planning Council (MAPC) and Metro West Collaborative Development (MWCD) to develop this Housing Production Plan. MAPC and MWCD worked closely with the Senior Town Planner, the Lexington Housing Partnership, the Planning Board, the Board of Selectman and others to develop this framework for achieving the Town's housing production goals over the next five years.

The following provides a summary of plan efforts, findings, goals and recommendations.

Public Input

Based on feedback obtained from the Housing Opportunities Survey conducted in summer 2012 and the November 2012 public meeting, residents were proud of Lexington's efforts to achieve and maintain the 10% SHI mandate, and supported efforts by the Lexington Housing Partnership and LexHAB to create more affordable housing opportunities. However, they also stated that barriers to affordable housing remain, including neighborhood resistance to affordable housing, and lack of available land for development.

Participants also identified issues and concerns that should be addressed in plan goals and strategies. This included maintaining the subsidized housing inventory, defining annual affordable housing production targets, and ensuring that a diversity of people are served by housing – low income, middle income, the elderly and people with disabilities. They also supported using tax credits, building at higher densities (in some locations) and purchasing privately-owned parcels for potential affordable housing development.

Housing Needs and Demand Assessment

Key findings from existing conditions analysis show that the number of households in Lexington is expected to increase modestly over the next two decades (1,600 households, or +14%). Elderly households will account for nearly all growth, while working-age households are projected to decline. (Young family-aged households, however, will remain steady or slightly increase.) These changes in household composition will likely impact housing

[1] Established Suburbs are characterized by single-family homes on moderately-sized lots, with a relatively

demand, particularly since many elderly households often prefer alternatives to the single-family homes which currently make up the majority of housing units in Lexington.

Housing affordability is a concern in Lexington. The housing market is strong, and remained strong throughout the recession. It is also high priced compared to the region. Median single-family and condo prices are up approximately 180% over the last two decades. Additionally, rents are nearly 30% higher than fair market rents established by HUD for the Boston Metro Area (2-br units), and higher than in most surrounding communities. Further, vacancy rates are low (>4%), in part due to limited new inventory. In fact, although 768 building permits were issued for new homes over the last decade, the majority were for single-family tear-downs and replacements.

Although Lexington is a relatively affluent community, the existing housing inventory is still not affordable to many residents. One in five households in Lexington are low income households earning below 80% of area median income, and significantly, over 30% of households are housing cost burdened, meaning they spend more than 30% of gross household income on housing costs. Significantly, low income households are the most cost-burdened, but so are middle income households. Estimates show that 45% of owner and 49% of renter middle-income households (80-120% AMI) are likely housing cost burdened as well. Further complicating the issue, many of Lexington's low-income households are living in units they cannot afford. There aren't enough existing units affordable to them.

Goals and Strategies for Affordable Housing Production

Based on findings from the Affordable Housing Needs and Demand Assessment, previous planning activities, and public input, the planning team worked with the Town of Lexington to develop three primary housing production goals that best reflected the desired outcomes of the community. Strategies and implementation activities to engage community stakeholders to achieve the goals were also developed.

Goal 1: Maintain the town's current SHI through 2020 (or when the next decennial census figures are available) and beyond by preserving existing units and creating additional affordable units.

Strategies

- Continue to participate in the Regional Housing Services Office to help monitor and maintain SHI.
- Develop a minimum of 6-7 new affordable units per year.
- Consider adopting an Inclusionary Zoning bylaw.

Goal 2: Provide seniors and persons with disabilities greater housing choice.

Strategies

- Explore mechanisms to allow Lexington's seniors to age in place, and to better serve people with disabilities, through housing rehabilitation/modification and buy-down programs.

- Administer emergency repairs program.
- Explore opportunities to allow seniors looking to downsize or lower housing costs to remain in the community.

Goal 3: Advocate for and maintain a diverse housing inventory that includes more opportunities for middle-income households.

Strategies

- Identify site(s) for larger scale multifamily and/or mixed-use development to provide alternatives to single-family homes to meet the preferences of smaller households.
- Consider by-right zoning overlay districts such as Compact Neighborhood Zoning to allow for and encourage the creation of low, moderate and middle-income housing.
- Hold discussions with developers to better understand local, regional and statewide housing market and development trends.

II. Introduction

Because housing needs vary from community to community, each community must come to understand its housing needs based on its unique characteristics. In its 2003 publication, *The Housing Needs Workbook: Assessing Community Housing Needs*, the Massachusetts Housing Partnership summarized the intent of housing needs assessments as attempting to answer the following questions:

- Who can and cannot afford to live in this community?
- In what direction is our community headed in providing quality housing to a broad spectrum of residents?
- Can our children afford to remain in, or return to, the community as they form their own households?
- Are special needs populations given adequate housing options?
- Are there substandard, overcrowded, or other undesirable living conditions that should be addressed?
- Do our elderly residents have adequate alternatives for remaining in the community as they age?
- Do we provide the type of housing that promotes local economic development?

There are several reasons to be concerned about affordable housing. Among these are our moral and social values; first among those may be the simple belief that everyone should be able to afford a decent place to live. Occasionally, these beliefs are translated into laws and regulations. This is precisely what happened in Massachusetts in 1969, when the Commonwealth took steps to stimulate the production of affordable housing, by mandating a certain percentage of affordable housing units be present in all of its 351 communities.

Another reason to support affordable housing production, however, touches on social values rather than legal requirements. Some people may prefer to live in uniform and homogeneous communities; but others feel that something is gained by living in a community which not only supports diversity -- and accordingly, affordable housing -- but also acts to ensure it. The community can become richer, and community life ultimately more satisfying. Affordable housing indirectly contributes to the richness, the satisfaction, and the quality of life enjoyed by those who live in Lexington.

A MGL 40B Primer

The Comprehensive Permit Act consists of Massachusetts General Laws (MGL) Chapter 40B, Sections 20 through 23, along with associated regulations issued and administered by the Massachusetts Department of Housing and Community Development (DHCD). It was enacted in 1969 to encourage the production of affordable housing in all communities of the Commonwealth.

Under Chapter 40B, in any municipality where less than 10% of its housing qualifies as affordable under the law, a developer can build more densely than the municipal zoning bylaws would permit, if at least 25% (or 20% in certain cases) of the new units are affordable. Despite its controversy, Massachusetts voters rejected an initiative petition to repeal the law in November of 2010.

For the purposes of this statute, affordable housing is defined as a unit that could be purchased or rented by a household making up to 80% of the area median income (AMI). Such housing must be subject to a long term, affordable housing restrictions, often in perpetuity.

Housing Production Plans

Since 2007, DHCD has considered Lexington as having met its obligation under MGL Chapter 40B. However, because the denominator in the formula is the ever-growing number of homes in a community, maintaining compliance with it is a moving target, requiring regular action. This Plan will assist the Town in planning for the continued annual production of housing affordable to low– and moderate–income households to keep up with the regular background growth of the Town, thereby ensuring the Town's continued compliance in 2020 and beyond.

Adopted by the Selectmen and Planning Board, this plan establishes a strategy for ***<u>planning and developing</u>*** affordable housing consistent with MGL Ch. 40B and its regulations.

HPPs set goals for annual housing production, which municipalities endeavor to meet by increasing their Subsidized Housing Inventory (SHI). This typically involves municipalities increasing unit production by a minimum of 0.5 percent of their total units per day over the length of the plan's prescribed timeframe. Fortunately, compliance with 40B allows the community to set a more realistic goal than the approximately 60 units per year that would be otherwise required. Given the data on expected local growth, this HPP recommends a much lower annual production number, which will be discussed in Chapter V.

III: Housing Needs and Demand Assessment

The Housing Needs and Demand Assessment section will examine demographic and housing data to identify key population and housing characteristics and trends within Lexington that best gauge the need and demand for housing. This assessment provides the framework for the housing production goals, strategies and actions developed later in this document to address Lexington's housing needs, both for market rate and affordable units.

A. Demographic Analysis

A thorough examination of Lexington's demographics was undertaken to identify trends that will impact future housing needs and planning efforts. This is a crucial element of any Housing Production Plan because the makeup of a community's residents, and how that makeup is anticipated to change, impacts the future housing needs within that community. Analysis focuses both on current and projected population, households, type of households, age and economic status as well as other datasets.

Key Findings

- Lexington's population is projected to increase by 7% (2,089 residents) over the next twenty years. The largest increase will be in people 65+.
- Total households are projected to increase by 14% (1,609 households) over the same time period.
- Lexington's average household size is significantly larger than the region and state.
- The vast majority (76%) of Lexington's households are family households. Over 40% of total households have children under 18 residing at home.
- Students qualifying and receiving free or reduced lunch at school has increased significantly over the last decade.

Population

The Town of Lexington's population is growing. According to Census data, between 2000 and 2010, the town's population grew by 3.4%, or 1,038 people, with a 2010 total of 31,394 residents. This trend is expected to continue over the next two decades.

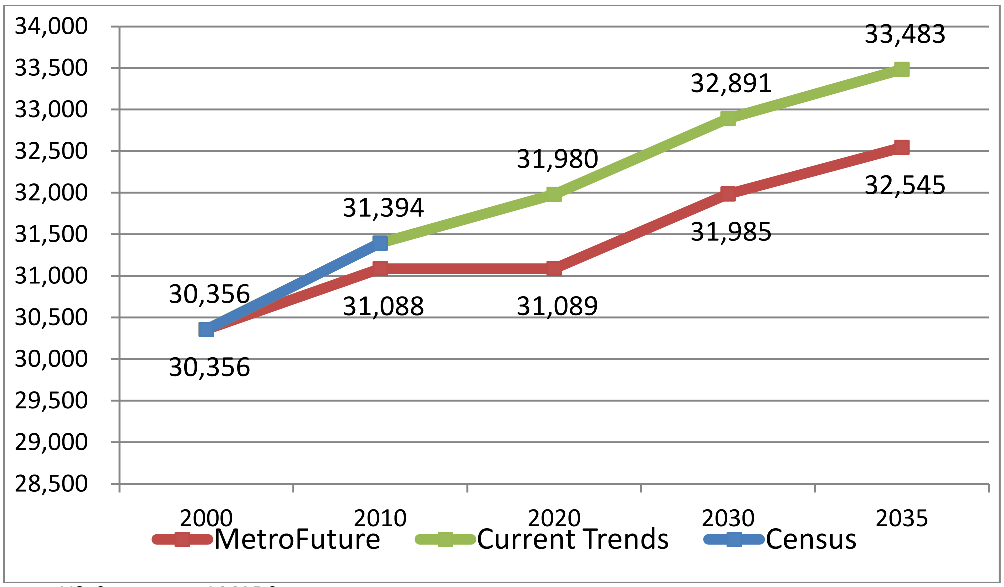
Table 1: Population Change, Census and MAPC Projections

	2000	2010	2020	2030	2035	Change 2010-2035	% Change 2010-2035
Census	30,356	31,394	n/a	n/a	n/a	n/a	n/a
MetroFuture	30,356	31,088	31,089	31,985	32,545	1,457	5%
Current Trends	30,356	31,394	31,980	32,891	33,483	2,089	7%

Source: US Census and MAPC

MAPC has prepared two sets of projections, Current Trends and MetroFuture[2]. Current Trends projections extrapolate current population trends, whereas MetroFuture projections assume that growth will occur according to MAPC's MetroFuture regional plan, which calls for focusing growth in already developed areas in order to use land more efficiently, protect existing open space, and reduce the need for new infrastructure. Given recent population change (2000-2010) in Lexington far outpaced MAPC's MetroFuture projections, this document will use MAPC's Current Trend calculations to project population and household change. According to Current Trend projections[3], between 2010 and 2035, the town's population is expected to grow by 2,089 residents.

Figure 1: Population Projections, MetroFuture vs. Current Trends



Source: US Census and MAPC

Population by Age

Persons at different stages of life often prefer housing unit types that align with their different needs and household size. MAPC analyzed the age composition of Lexington's population over time to provide greater insight into future demand for unit types than the more general total population figures.

[2]MAPC's MetroFuture and Current Trends projections were calculated prior to the release of 2010 Census data. Updated projections are currently under development, but were not available within this project's timeframe. The exiting figures used for this analysis are the best population and household projections currently available.

[3] MetroFuture projections are built on extensive technical analysis that was developed to quantitatively analyze patterns of future growth based on a vision of a region where growth is focused in areas where it already exists, and linked by an efficient transportation system; our land and natural resources are conserved; we invest in our residents by improving their health and education; opportunities are available for all residents of the region, regardless of race or ethnicity; and expanding prosperity benefits all of us. The Current Trends projections are based on a picture of likely future growth patterns if historical trends in population change are extended. A summary of MetroFuture's technical analysis and methodology for Current Trends projections can be found here: http://www.metrofuture.org/content/metrofutures-technical-analyis.

The age profile of Lexington is projected to change in the coming decades. According to MAPC's Current Trends projections, Lexington's elderly population (55+) is expected to grow significantly, while the number of middle-age adults (35-54 year olds) and school-age children (5-19) are projected to decline. This is similar to regional and national demographic trends that will impact housing demand and shift housing preferences in coming decades.

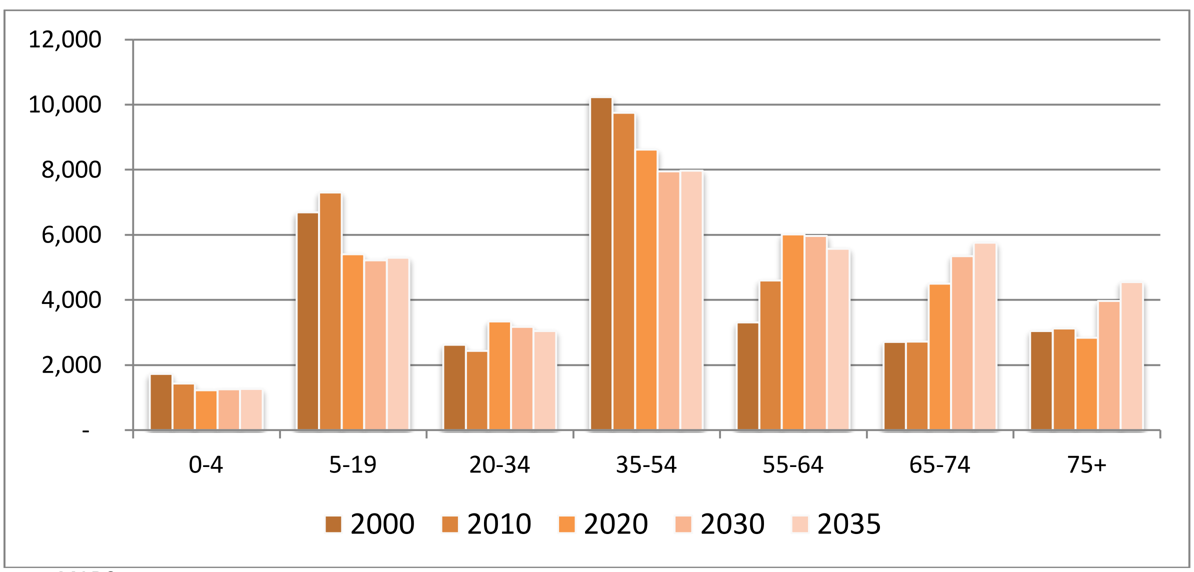
According to Current Trends for the 2010 to 2035 period, the fastest growing age cohort will be people 55 and over, which is estimated to grow by 52%, or 5,440 residents. The majority of this growth will occur in those 65+ (4,463 residents, many of whom may be living alone). At the same time, Lexington's 35-54 population is anticipated to decrease by nearly 20%, or 1,779 residents, and residents (20-34) are projected to increase by nearly 25%, or 607 total people. The number of school-aged children is projected to decline by 12% (-2,008).

Table 2: Age Trends, Current Trends Projections, 2000 - 2035

	2000	2010	2020	2030	2035	Change 2010-2035	Percent Change 2010-2035
0-4	1,728	1,438	1,230	1,258	1,268	-170	-11.8%
5-19	6,694	7,307	5,410	5,219	5,299	-2,008	-27.5%
20-34	2,622	2,442	3,345	3,175	3,049	607	24.8%
35-54	10,234	9,756	8,628	7,954	7,977	-1,779	-18.2%
55-64	3,310	4,600	6,021	5,965	5,577	977	21.2%
65-74	2,716	2,726	4,504	5,350	5,759	3,033	111.3%
75+	3,051	3,125	2,843	3,970	4,555	1,430	45.8%

Source: MAPC

Figure 2: Lexington Age Trends, Current Trend Projections, 2000-2035



Source: MAPC

These changes in Lexington's population are likely to have major implications on the type of housing needed in coming years. As Lexington's elderly population increases, the need or preference for smaller units with lower attendant costs, as well as the need for special housing facilities such as assisted living and nursing home units, is likely to increase. Simultaneously, as the middle-age and school-age population decreases, the demand for additional large single-family homes may also decline, as the middle-age cohort may have children or older family members living at home and reside in such homes. However, demand for moderately priced single-family, condominium or rental options may increase slightly, since these types are often more appealing to a growing young adult/family-aged population.

Households

The number and type of households within a community is more relevant to housing production than the number of people because households correlate more directly to unit demand than population. Each household resides in one dwelling unit no matter the number of household members.

In 2010, there were 11,530 households in Lexington, and the number of households in Lexington is increasing. According to the US Census, between 2000 and 2010, Lexington added 420 new households, a 4% increase.

Table 3: Households, 2010

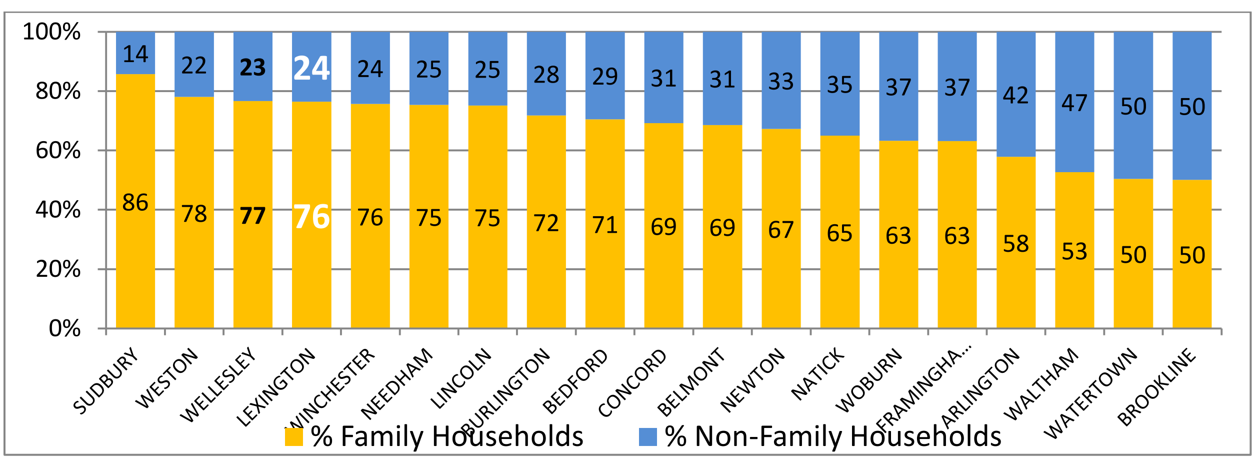
	2000	2010	% Change
Households	11,110	11,530	4%

Source: US Census 2010

Family and Non-Family Households

Analyzing household types is important to help project the type of housing units that will be needed within a specific community over time. Different household types often have different housing needs or preferences. For example, a married couple with children may wish to reside in a different housing type than single persons in their early 20s or an elderly couple.

Figure 3: Households by Type – Family and Non-Family, Census 2010



Source: Census 2010

Households are defined by the census as family and non-family households. Family households include any households with two or more related persons living together. Non-family households include households with one person, or more than one non-related persons living together.

Of Lexington's 11,530 households in 2010, an overwhelming majority were family households (76%, or 8,807 households), the third highest percentage of communities analyzed for comparison. Further, over half of these households had children less than 18 years of age living at home, with the majority of these households husband-wife families. These are the types of households most likely to reside in larger housing unit types, including detached single-family homes with multiple bedrooms.

Of the 2,723 non-family households, the vast majority were people living alone (2,416 households). Significantly, over half of these households were persons over 65 living alone. As the population ages in the coming decades, the number of persons over 65 living alone will increase. Ensuring units exist for this population to remain in the community, should be a priority for the municipality.

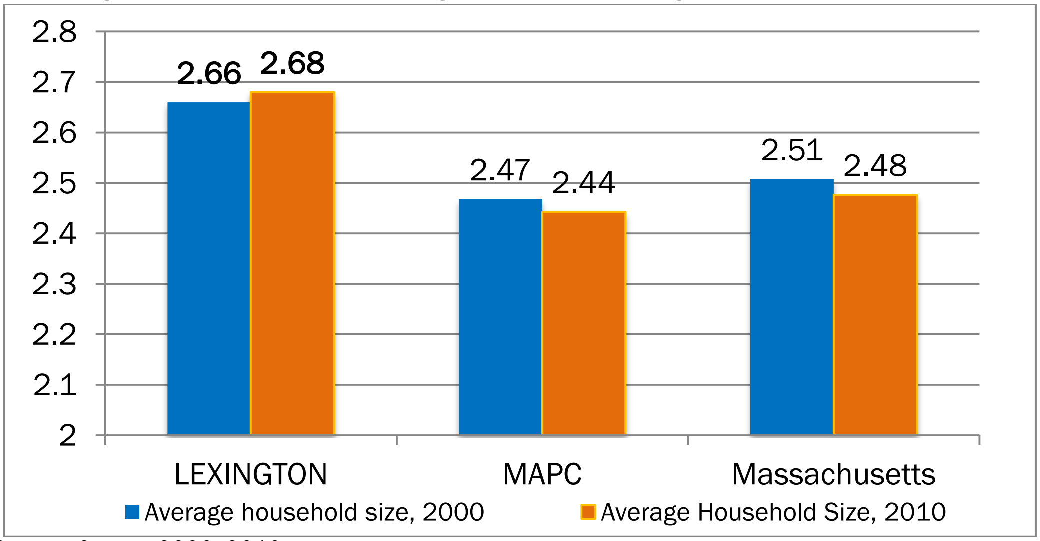
Table 4: Households by Type, 2010

	Number	Percent
Total households	11,530	100
Family households	8,807	76.4
With own children under 18 years	4,450	38.6
Husband-wife spouse	7,708	66.9
With own children under 18 years	3,890	33.7
Male householder, no spouse present	242	2.1
With own children under 18 years	100	0.9
Female householder, no spouse present	857	7.4
With own children under 18 years	460	4.0
Nonfamily households	2,723	23.6
Householder living alone	2,416	21.0
Householder 65 years and over living alone	1,404	12.1
Average household size	2.68	n/a
Average family size	3.12	n/a

Note: The above household and family household breakdown is provided by the U.S. Census Bureau.

The large number of family households in Lexington, particularly husband-wife families with children living at home, explains why Lexington has a far higher average household size than the MAPC region or the Commonwealth as a whole. (See Figure 4.) Lexington's household size increased over the last decade, whereas it decreased regionally and statewide. This could mean that many families in Lexington are having more children, or more families with children have moved to Lexington since 2010, attracted by the strong school system.

Figure 4: Average Household Size, Lexington vs. MAPC Region and State, 2000-2010

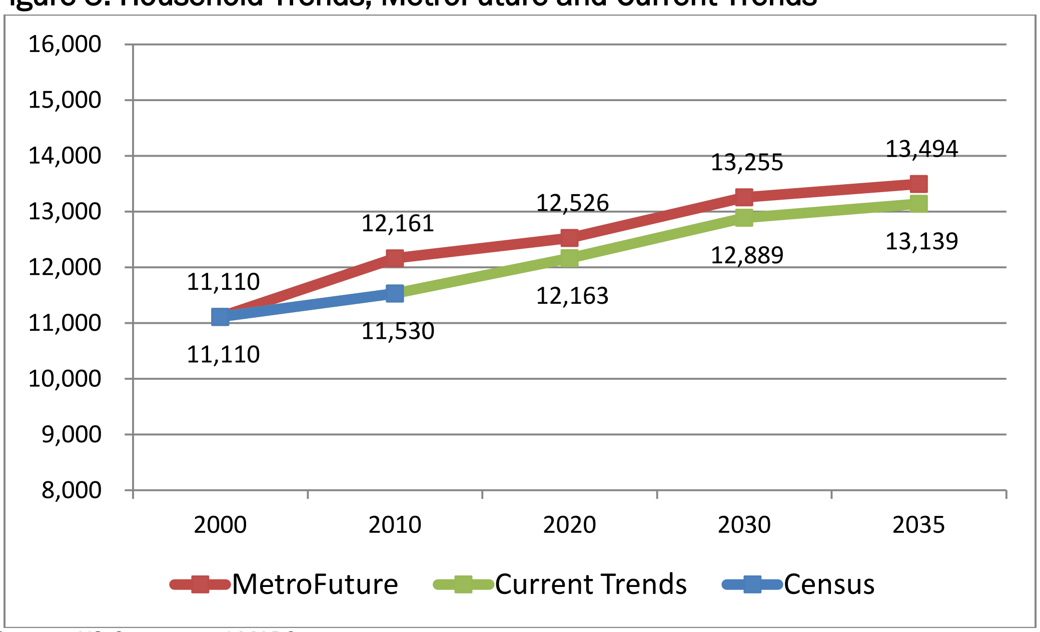


Source: Census 2000, 2010

Household Change

MAPC's Current Trends projections indicate household growth will continue over the coming decades, with Lexington expected to gain over 1,600 new households by 2035. Given the change in age composition previously discussed, much of this household growth will be senior households. This will result in a smaller average household size as most elderly households may not have children living at home, and many will include people over 65 living independently. Additionally, with middle-age and school-age persons anticipated to decline, the number of family households with children is likely to decrease.

Figure 5: Household Trends, MetroFuture and Current Trends



Source: US Census and MAPC

Table 5: Household Projections, MetroFuture and Current Trends, 2000 -2035

	2000	2010	2020	2030	2035	Change 2010-2035	% Change 2010-2035
Census	11,110	11,530				n/a	n/a
MetroFuture	11,110	12,161	12,526	13,255	13,494	1,334	11%
Current Trends	11,110	11,530	12,163	12,889	13,139	1,609	14%

Source: US Census and MAPC

These projected changes in household composition will have a significant impact on future housing in Lexington, as needs and preferences are likely to change. As mentioned earlier, many seniors prefer smaller, single floor units with lower maintenance costs. At the same time, with middle-age persons and children projected to decline, additional unit types that appeal to families with children may not be needed as the supply already exists within Lexington (e.g. single-family units vacated by senior households.)

Race and Ethnicity

Lexington has grown significantly more diverse since the 2000 Census. Over the decade, the non-white population increased by 11 percent, a slightly higher rate compared to trends in the subregion study area, the MAPC region, and the state. The most significant change was in the Asian population, which increased by 89%, or nearly 3,000 people. However, increases were seen in all non-white populations, including the two or more races population and those of Hispanic or Latino (or any race) ethnicity.

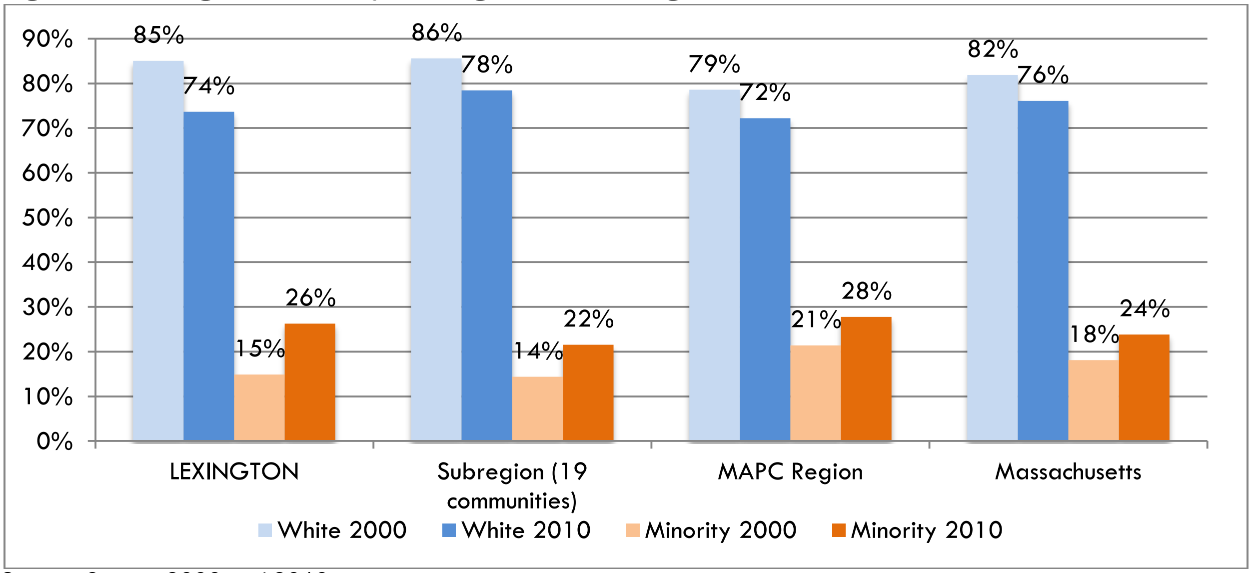
Table 6: Race and Ethnicity, 2000 - 2010

	2000	2010	Change	Percent Change
White	26,146	23,705	-2,441	-9%
Black or African American	343	473	130	38%
American Indian and Alaska Native	23	25	2	9%
Asian	3,310	6,240	2,930	89%
Native Hawaiian and Other Pacific Islander	2	3	1	50%
Some Other Race	102	146	44	43%
Two or More Races	429	802	373	87%
Hispanic or Latino	428	713	285	67%

Source: Census 2000 and 2010

These shifts in demographics may indicate changing preferences and needs as related to housing types. For example, in some cultures, multiple generations are more likely to live in the same household, or have more children, which leads to larger household sizes, and has implications on housing unit types desired.

Figure 6: Change in Ethnicity, Lexington vs. Subregion, MAPC and State, 2000-2010



Source: Census 2000 and 2010

School Enrollment

The quality of a municipality's public school system can impact the housing market – the better the school system, the more desirable the community may be to families with children. The Lexington School District is one of the top in the State[4], which is likely reflected in the district's enrollment figures. Between 2002 and 2012, student enrollment is up almost 350 students, and confirms the recent growth projected in the school aged population in MAPC's current trends analysis, as well as the growing diversity in the community. Over 21 percent of students do not speak English as their first language and those with limited English proficiency is up over the last ten years as well. Of concern, however, is the percentage of low-income students who qualify for free or reduced-price lunch (i.e. students from households meeting federal low-income eligibility guidelines) nearly doubled. This may indicate growing need within the community.

Table 7: Lexington School District Enrollment, 2002-2012

Year	total enrolled	% Change from Previous Year	% First Language not English	% Limited English Proficient	% Low-income (Eligible for Free or Reduced Price Lunch)
2011-2012	6,397	0.5%	21.1%	5.7%	6.6%
2010-2011	6,366	2.9%	20.9%	5.5%	6.1%
2009-2010	6,182	-0.9%	20.7%	4.8%	4.8%
2008-2009	6,235	-0.3%	20.3%	4.8%	5.0%
2007-2008	6,253	0.4%	18.8%	3.8%	4.7%
2006-2007	6,226	-0.4%	17.4%	3.8%	3.7%

[4] Lexington Elementary Schools Rank #5 in the State according to MCAS scores, Middle Schools Rank #10 and Lexington High School was ranked by Boston Magazine as the #2 High School #12. http://www.localschooldirectory.com/. Lexington High School was ranked #2 in Boston Magazine's 2012 Top Schools http://www.bostonmagazine.com/best-schools-boston-2012-top-50/.

2005-2006	6,253	1.1%	17.4%	3.8%	4.4%
2004-2005	6,184	0.1%	16.2%	3.1%	3.8%
2003-2004	6,175	2.0%	15.7%	3.4%	3.9%
2002-2003	6,051	0.7%	15.0%	3.3%	3.5%

Source: Massachusetts Department of Elementary and Secondary Education, 2012

Educational Attainment

Lexington exceeds both Middlesex County and the Commonwealth in the percentage of residents, who have completed some college or who have completed a bachelor's degree or greater. The percentage of the population that has not graduated high school is also significantly lower than state figures. The trend of over 55 percent of the adult population obtaining post-secondary education also correlated with the increasing incomes in the community between 2000 and 2010, which showed a major increase in the percentage of households with incomes of $100,000 or more. (More on Lexington's incomes is discussed in Section IV.) This increase in highly educated, high income residents is likely contributing to higher priced homes in Lexington, which is discussed in Section III of this document.

Table 8: Educational Attainment, Lexington vs. Norfolk County and State, 2010

	% High School Without Diploma	% Completed High School	% Completed Some College	% Completed Bachelors Degree or Greater
Lexington	1.3	11.7	7.5	79.5
Middlesex County	8.4	22.9	197	49.3
State	11.3	26.7	23.7	38.3

Source: Census 2010

B. Housing Characteristics

The following section looks at Lexington's current housing stock and how it has changed over time. Understanding the types, age and size of existing units is essential for housing production planning because it assists with determining what type of new housing might be needed to meet the current and projected population.

Key Findings

- Lexington's housing stock is overwhelmingly comprised of single-family homes.
- The majority of housing units are occupied by owners.
- The majority of single-family residential building permits issued over the last decade involved tear downs, with larger units replacing more modestly sized and priced homes.
- There are no major residential developments currently proposed.

Housing Stock by Type & Age

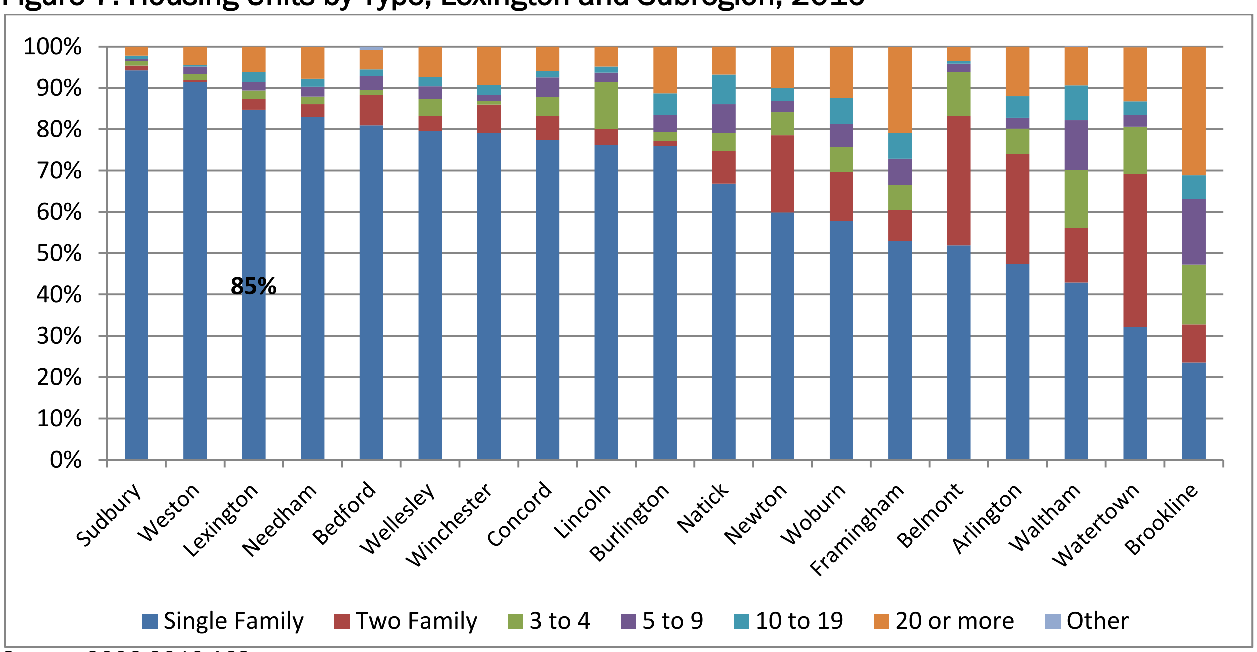
Lexington is known within the region as a predominantly single-family housing community. This is evident when looking at the breakdown of housing unit types. According to ACS estimates, 85% of units are single-family units, a majority of which are detached units. This is the third highest single-family rate among the subregion. Of the multifamily units, the majority are found in structures with more than 10 units. Only 7 percent are found in 2-9 family structures.

Table 9: Housing Units by Type, Hamilton, 2010

	Units	Percent
Single-Family	10236	85%
Two-Family	319	3%
3 to 4	244	2%
5 to 9	245	2%
10 to 19	298	2%
20 or more	742	6%
Other	0	0%
TOTAL	12084	100%

Lexington's lack of housing unit diversity will likely present a challenge in the years to come, particularly for the increasing number of older residents who wish to remain either in their current home, or within the community. Older residents seeking in-town, more affordable alternatives will likely need to find housing in places that have a greater inventory of two-family, small apartment, or larger apartment complexes that offer single floor living options and/or with amenities.

Figure 7: Housing Units by Type, Lexington and Subregion, 2010

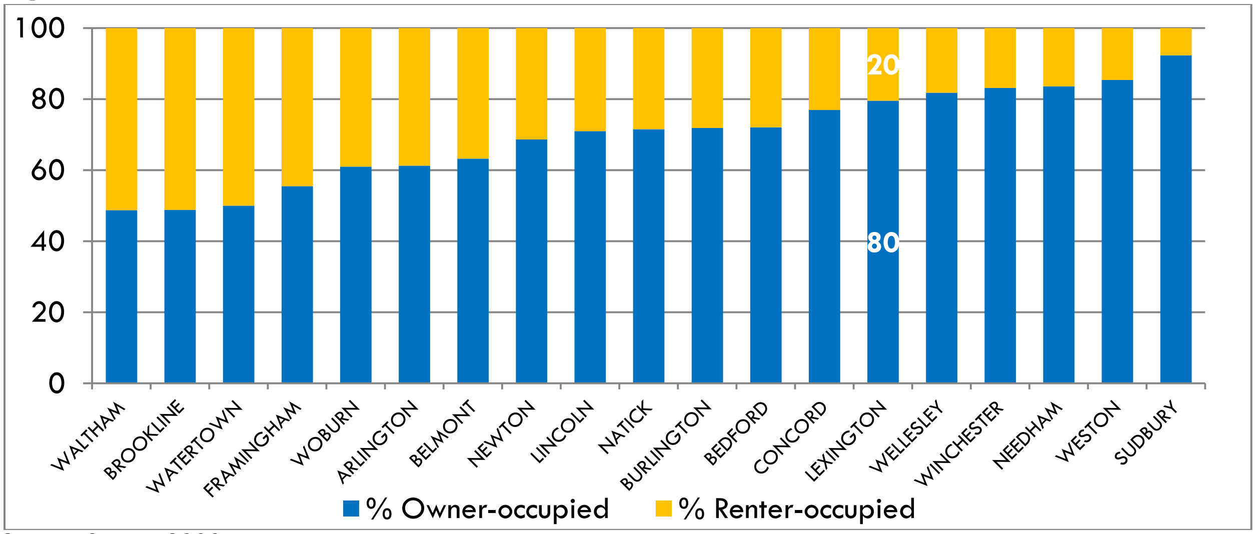


Source: 2006-2010 ACS

Tenure

Lexington is primarily an owner-occupied residential community. According to 2010 Census data, of Lexington's 11,530 occupied housing units, nearly 80% or 9,171 are owner-occupied, and 2,359 were renter-occupied.

Figure 8: Percent of Units Occupied by Renters vs. Owners, 2010



Source: Census 2000

The average household size of owner occupied units is significantly larger than that of renter-occupied households (2.80 vs. 2.22, respectively), indicating owner-occupied homes are more likely to be family households with children under 18. Renter-households are more likely to be mix of singles, couples without children and small families. 40% of renter-occupied households have children under 18 residing in them.

Figure 9: Renter-Occupied Units with Children Under 18

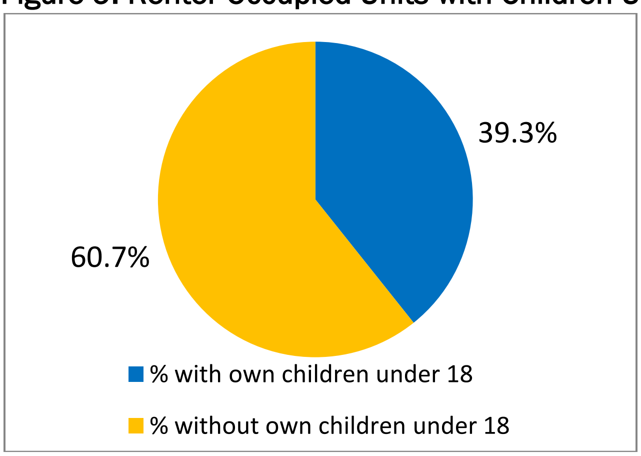


Table 10: Average Household Size by Tenure, 2010

	HH Size
All Lexington Households	2.68
Owner occupied	2.80
Renter occupied	2.22

Source: ACS 2006-2010 Estimates

Looking for opportunities to increase the number of rental units within Lexington could provide more affordable options for young professionals as they enter the workforce, small families who cannot afford a single-family home in Lexington, as well as older residents looking to remain in town in more modest housing.

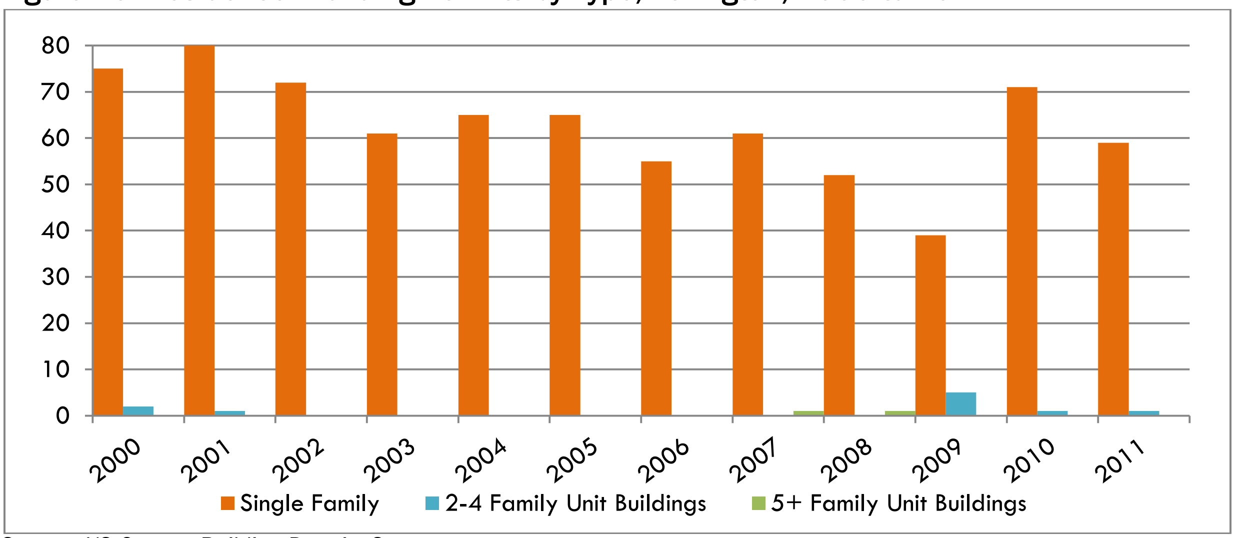
Vacancy

According to Census 2010, approximately 96% of housing units in Lexington were occupied. The percentage of vacant units for rent and the percentage of vacant units for sale in Lexington are similar (24.9% for rent, 21.9% for sale). This contrasts to the percentages in the MAPC region and the state, where there is generally three times as many vacant units for rent as there are vacant units for sale. (See Appendix VIII for Vacancy Rates.)

Housing Units Permitted

Between 2000 and 2011, the Town of Lexington issued 768 building permits for housing structures. Of this number, the overwhelming majority (756) were for single-family structures, whereas 10 were for buildings with 2-4 units, and two for buildings with 5+ units.

Figure 10: Residential Building Permits by Type, Lexington, 2000 to 2011

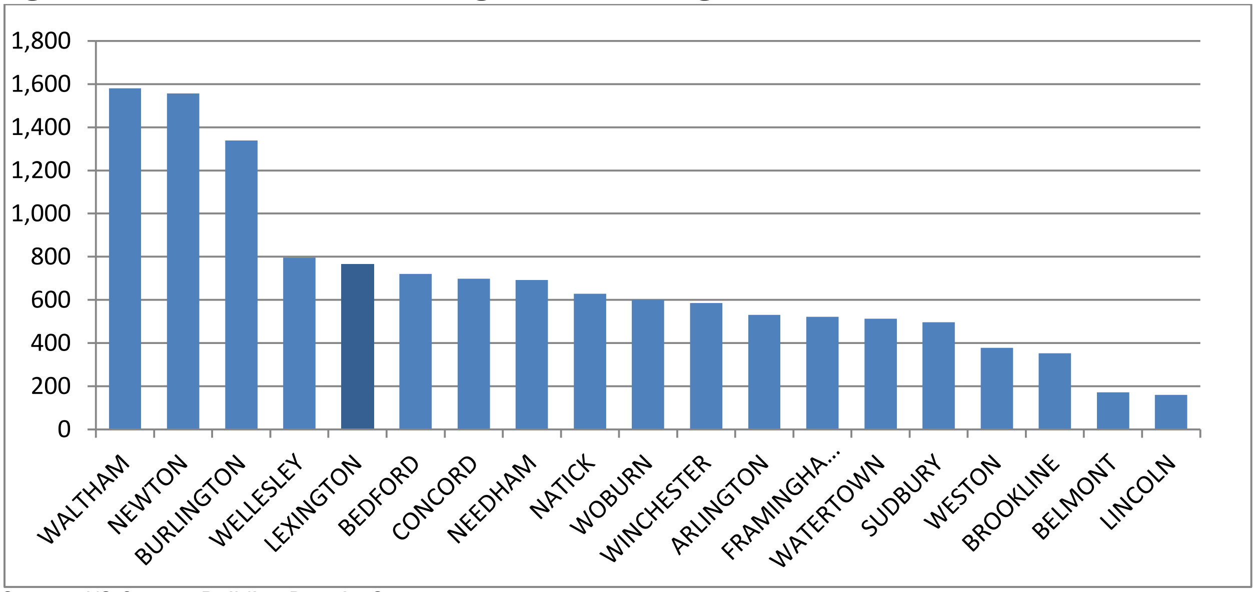


Source: US Census Building Permits Survey

Permits issued appear to show Lexington to be a higher growth community (in terms of permitting volume) when compared to the subregion (Lexington is 6th). However, according to town data, 542 of the 694 (78%) total new single-family units built over the time period were tear downs. This typically involves taking a smaller, more affordable housing unit, and replacing it with a larger, unit. Therefore, the net gain of units over the last decade was minimal. Additionally, this process likely removed homes that would be more affordable to moderate income households (those earning between 80 and 120% of area median income.)

Although the majority of building permits issued between 2000 and 2011 were for single-family homes, it is important to note that several larger, multifamily projects resulted in hundreds of new units over the timeframe. This includes the 387 unit Avalon at Lexington Hills development, as well as the 36 unit Lexington Courtyard. These projects not only added an additional 100+ affordable units, but provided additional unit types often preferred by seniors and young professionals. Identifying additional opportunities for projects like these would help to provide additional housing choice for middle-income residents.

Figure 11: Total Residential Building Permits, Subregion, 2000-2010



Source: US Census Building Permits Survey

Projected Development

As noted above, the majority of building permits issued in Lexington were for single-family structures. The table below compares housing type and unit projections to house the anticipated household increase between 2000 and 2030 according to MAPC's Current Trends. Although MAPC projects the majority of needs to be for single-family units over the three-decade period, it also projects an increased need for multifamily homes or townhouses, apartments and condo buildings, and accessory apartments/adaptive reuse units. These are the types of units that often appeal to the population cohorts expected to increase in Lexington, including older populations, small families, and non-family single and unmarried households.

Table 11: Additional Projected Housing Units by Type, Current Trends Lexington, MA, 2000-2030

	Single-Family Units	Multifamily Homes or Townhouse Units	Apartment or Condo Building Units	Accessory Apts	TOTAL	*Number of Total on Previously Developed Land*	*Number of Total in Mixed Use Structures*
Units	716	360	1,517	71	2,664	*1,218*	*529*

Source: MAPC

Development Pipeline

Currently, there are no large, multi-unit projects proposed for Lexington. LexHAB is exploring three smaller projects (Fairview Avenue, Busa Farm, and 116 Vine Street). The Housing Authority has one project in their pipeline – 4 handicapped units at an existing development.

C. Housing Market Conditions

Housing market conditions influence affordability of the housing stock within a community. Competitive housing markets tend to have a limited supply of available units (ownership or rental), compared to the number of households looking to live in or move to the community. This can lead to increasing housing prices and rents. These factors can significantly reduce affordability within a community, both for potential new residents or existing residents who can no longer afford their current unit.

Key Findings

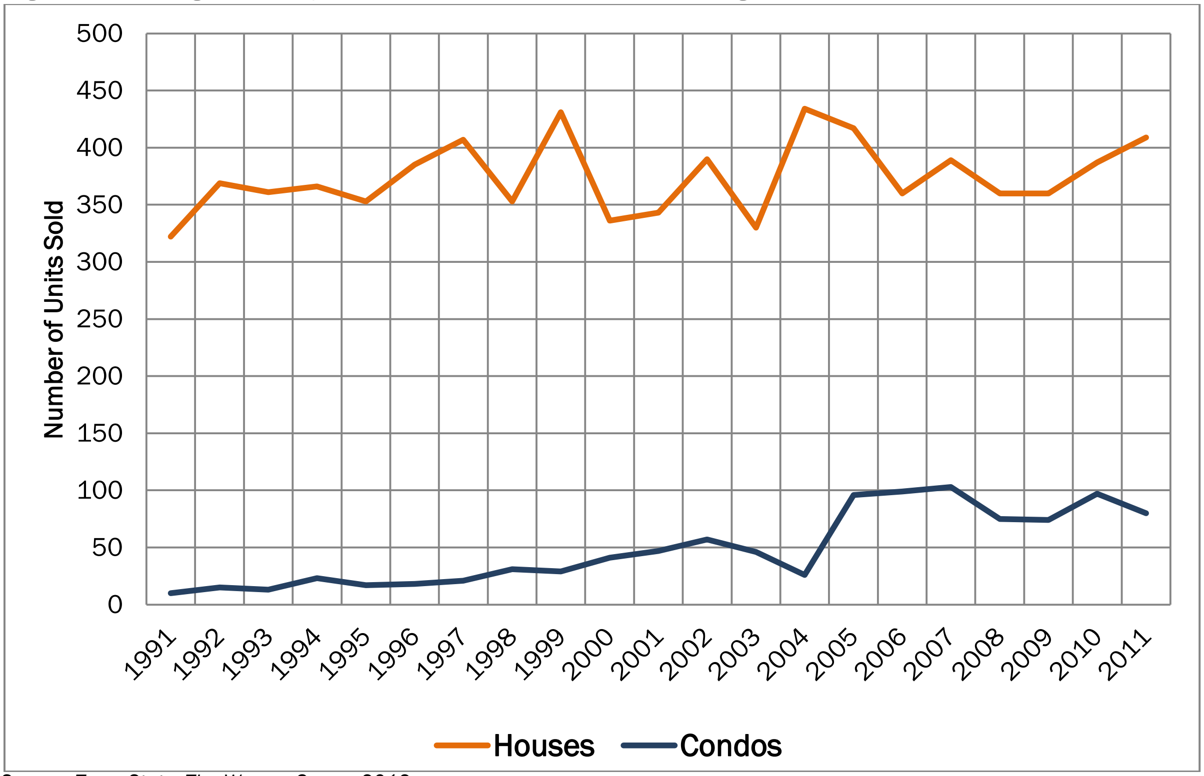
- The housing market in Lexington is expensive and has remained strong and competitive, even through the recession.
- The number of single-family units sold per year has remained relatively consistent over the last two decades, with between 350-450 units sold. Condominium sales have increased in recent years.
- Median home prices for both single-family and condos have increased significantly over the last 20 years.
- Rents in Lexington are higher than those in nearby communities, and significantly higher than Fair Market Rents set by the U.S. Department of Housing and Urban Development (HUD).

Median Sale Prices and Total Annual Sales

The housing market in Lexington is very strong, particularly for single-family homes, which make up the majority of the town's housing stock. Unlike in much of the state and nation, Lexington did not experience the steep housing declines during the recent recession in either sales volumes or values. In fact, according to data from the Warren Group, the number of single-family sales remained relatively constant over the last two decades, and condo sales have increased, particularly in the last few years.

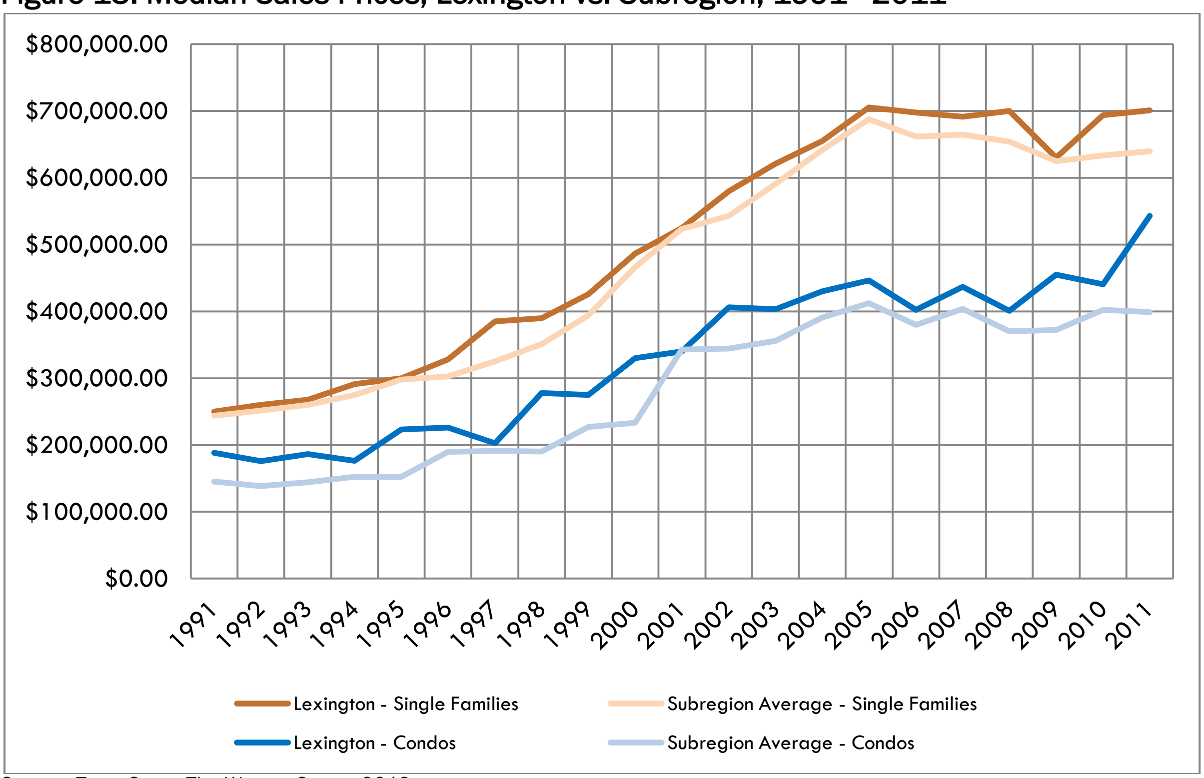
Lexington's healthy housing market is reflected in median sales prices. Over the last two decades, median single-family sales price has nearly tripled from approximately $250K in 1991 to approximately $701K in 2011, which is significantly higher than the $640K figure for the surrounding subregion (19 community area). Similarly, Lexington's median condo sales price has risen from $188k in 1991 to $543,000 in 2011, considerably higher than the subregion ($399K) in 2011, with the largest year-to-year median condo price increase occurring between 2010 and 2011.

Figure 12: Single-Family and Condo Home Sales, Lexington, 1991-2010



Source: Town Stats, The Warren Group, 2012

Figure 13: Median Sales Prices, Lexington vs. Subregion, 1991 - 2011



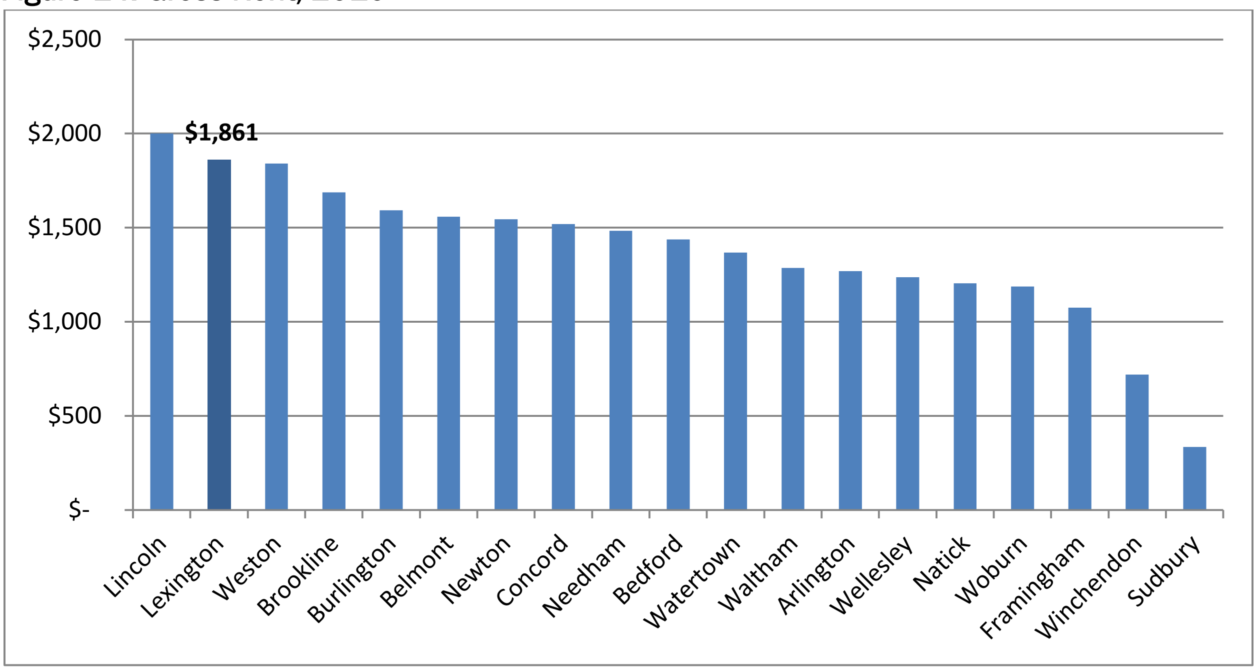
Source: Town Stats, The Warren Group, 2012

Although these trends point to a strong housing market, rising home sales prices will increasingly make buying a home difficult or nearly impossible for those with low- or even middle-incomes, particularly seniors, who often live on a fixed income.

Gross Rents

Rental units within Lexington are expensive. According to the census, average gross rent[5] in Lexington was $1,861, the second highest of all communities in the subregion. This is significantly higher than the average gross rent of the Boston-Cambridge-Quincy MSA, which is $1,146. Thus households looking for more affordable rental options, including low- to middle-income families and seniors, will most likely have to leave Lexington to find more affordable options if no subsidized or lower-priced options are available within town.

Figure 14: Gross Rent, 2010



Source: ACS 2006-2010

[5] Gross rent is the sum of the rent paid to the unit's owner plus utility costs incurred by the tenant such as electricity, gas, water and sewer, and trash removal services. Telephone and other communications services are not included. If the owner pays for all utilities, then gross rent equals the rent paid to the owner.

D.Housing Affordability

In the previous sections, we looked at Lexington's population, in particular its age and income distribution and at Lexington's housing stock and market conditions. The intersection of demand (people) and supply (housing units), along with policy and planning priorities, ultimately determines the affordability of housing in a given community. In this section, we will explain the affordability of housing stock for the residents of Lexington.

Key Findings

- Lexington's Subsidized Housing Inventory is 11.1%, higher than the Chapter 40B mandate.
- Lexington's median HH income is significantly higher than that of the Boston-Cambridge- Quincy MSA.
- Despite the high median HH income, one in five Lexington households are estimated to be low income (earn below 80% of area median income).
- Nearly a third of all households (30.3%) are cost burdened, meaning they spend over 30% of their income on housing costs.
- Low-income households are more cost burdened, with elderly households the most cost burdened. Further, the number of elderly cost burdened households are likely to rise as the population of 65+ increases significantly.
- There are not enough housing units (ownership or rental) affordable to households earning below 80% AMI in Lexington.
- Despite high level of cost burden, foreclosures have not been a significant issue in Lexington.

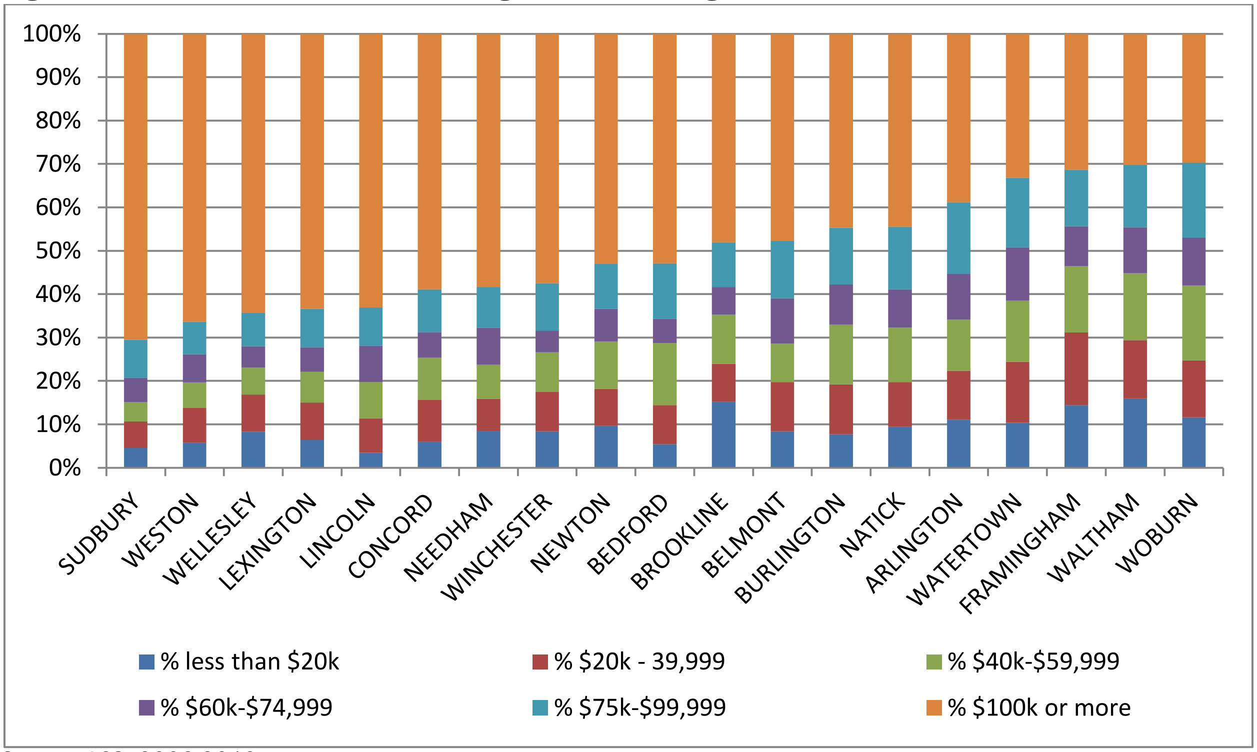
Household Income

Household income not only determines how much a household can afford to pay for their dwelling unit, either to rent or own, but also determines which households are eligible for housing assistance.

In 2010, Lexington's median household income was $132,931, an increase of 37% since 1999 ($96,825). Lexington's median household income is higher than that of the Boston-Quincy Metro area ($94,400), and the fourth highest of the communities analyzed for comparison.

Although Lexington is a well-off community with over 60% of households earning $100,000 or more, 15% of households earn below $40,000, and the percentage of middle income categories (between $40,000 and $99,000) is significantly lower than in nearly all nearby communities. (See Figure 15)

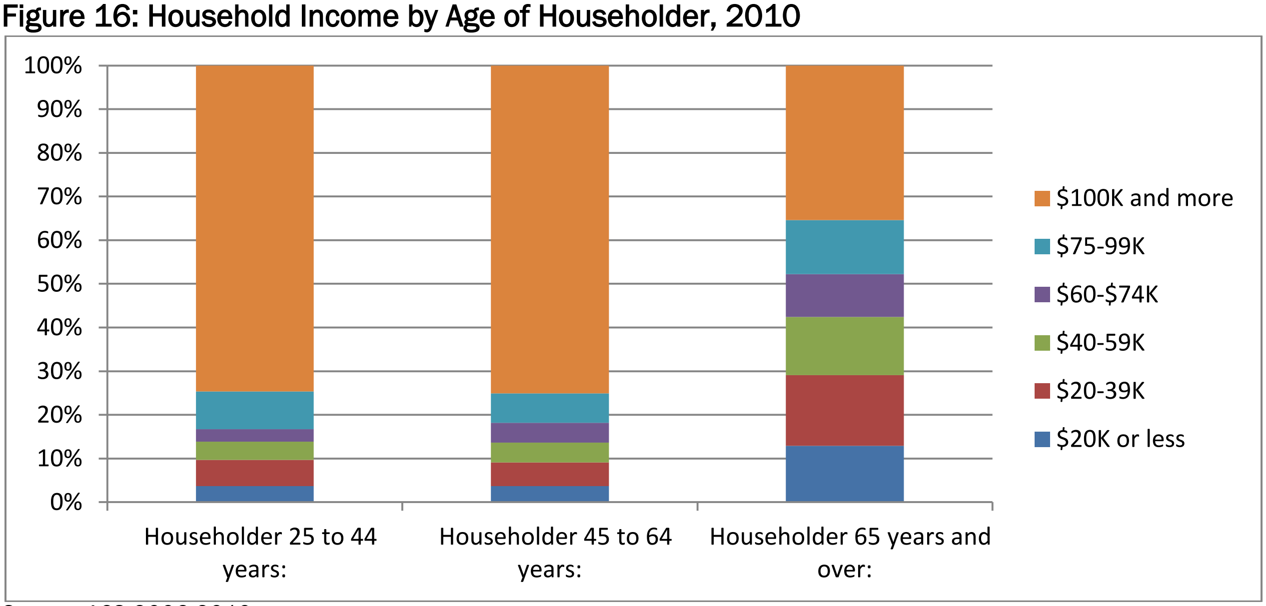
Figure 15: Income Distribution, Lexington and Subregion Communities, 2010



Source: ACS, 2006-2010

Household incomes in Lexington differ widely by age. Whereas nearly 75 percent of younger adults (25-44) and middle-age (45-64) households earn over $100,000, only 35% of elderly households (65+) do so. Of concern is the nearly 30% of elderly households (and 10% of younger households) with incomes below $40,000 per year. At these income levels, it may prove difficult for seniors to retire in Lexington, given the higher housing costs associated with the larger single-family properties.

Figure 16: Household Income by Age of Householder, 2010



Source: ACS 2006-2010

Households Eligible for Housing Assistance

To determine the need for affordable housing, one measure is to evaluate the number of households eligible for housing assistance. Federal and state programs use Area Median Income (AMI) figures, along with household size, to identify eligible households. Table 12 shows U.S. Department of Housing and Urban Development (HUD) income limits for Extremely Low (Below 30% AMI), Very Low (31-50% of AMI), and Low Income (51-80% of AMI) households by household size for the Boston-Cambridge-Quincy Metropolitan Statistical Area, which includes Lexington. Typically, households at 80% of area median income qualify for housing assistance.

Table 12: FY2013 Individual Income Limits for Affordable Housing: Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area

FY 2013 Boston-Cambridge-Quincy Median Income: $94,400

FY2012 Income Limit Category	Extremely Low (30%) Income Limits	Very Low (50%) Income Limits	Low (80%) Income Limits
1 Person	$19,850	$33,050	$47,150
2 Person	$22,650	$37,800	$53,900
3 Person	$25,500	$42,500	$60,650
4 Person	$28,300	$47,200	$67,350
5 Person	$30,600	$51,000	$72,750
6 Person	$32,850	$54,800	$78,150
7 Person	$35,100	$58,550	$83,550
8 Person	$37,400	$62,350	$88,950

Source: Department of Housing and Urban Development, 2013

As highlighted in the chart, a four-person household may qualify for assistance if it earns up to $67,350 per year, whereas a one-person household at the same income level would not qualify. For this reason, income by household size as well as age in Lexington was analyzed using Comprehensive Housing Affordability Strategy (CHAS) data, a tabulation of American Community Survey (ACS) data that allows us to look at housing costs versus household income, size and other factors that impact affordability.[6]

While HUD income limits in Table 12 are set according to people per household, CHAS data classifies household size categories as follows:

- small related households (two persons, neither person 62 years or over, or three or four persons);
- large related households (five or more persons);
- elderly households (one or two persons, with either or both age 62 or over); and
- all other households (singles, non-related living together)

[6] CHAS data is based on Census American Community Survey estimates. Household number estimates were significantly lower than official counts from the subsequent 2010 Decennial Census. Therefore, CHAS estimates are likely lower than actual need.

Table 13 details the extremely low, very low, and low income households in Lexington for each of these categories. Nearly a fifth of all households in Lexington (1,950 total) would be categorized as low income with nearly two thirds in the very low or extremely low categories, earning less than 50 or 30 percent AMI, respectively.

Significantly, over 60 percent of all low income households in Lexington are elderly households. More specifically, one of every three elderly households earns below 80% of the area median income, and one of every 5 earns less than 50% AMI. Conversely, non-elderly households, both small and large, have higher incomes. Less than 10% of households in these categories are low-income.

Table 13: Income as Percent of Area Median Income by Household Type and Size Lexington, MA 2005-2009

	TOTAL Households	Low Income Households			Greater Than 80%
		Less Than 30% AMI	Between 30% and 50% AMI	Between 50% and 80% AMI	
Elderly 1 & 2 Member Households	3,530	385 (11%)	415 (12%)	380 (11%)	2,350 (67%)
Small Related (2 to 4) Households	5,690	170 (3%)	120 (2%)	160 (3%)	5,240 (92%)
Large Related (5+) Households	945	10 (1%)	15 (2%)	60 (6%)	860 (91%)
All Other Households	815	70 (9%)	85 (10%)	80 (10%)	580 (71%)
Total	**10,980**	**635 (6%)**	**635 (6%)**	**680 6%)**	**9,030 (82%)**

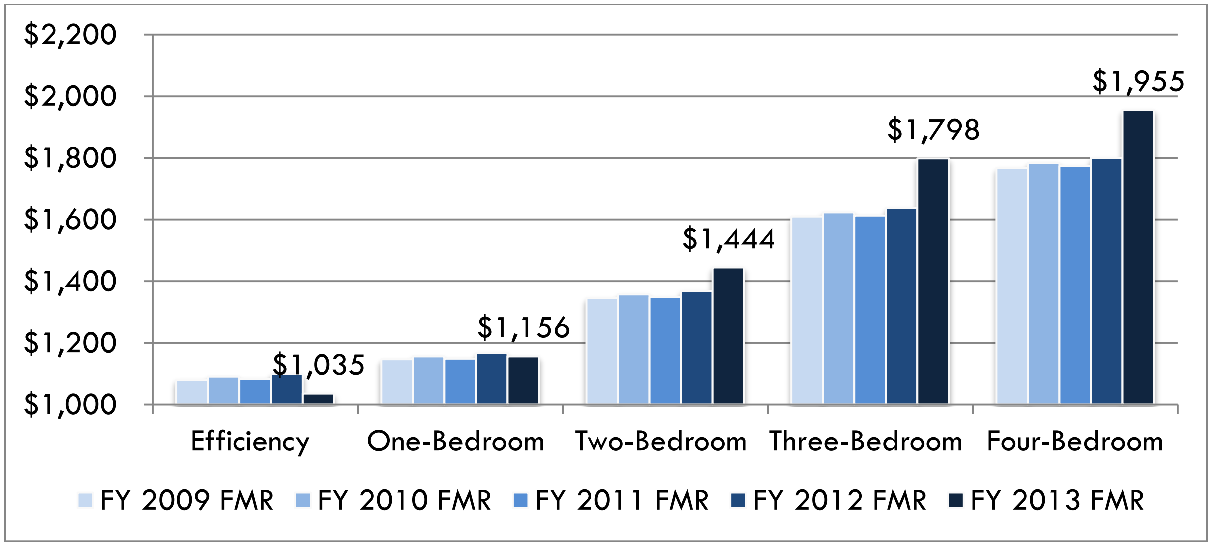
Source: CHAS 2005-2009

Although the data points to the need for more affordable senior housing in Lexington, it also shows that there is need for family housing, particularly for smaller families under 4 people.

Fair Market Rents

The figure below highlights the Fair Market Rents, or maximum allowable rents (not including utility and other allowances) determined by HUD for subsidized units in the Boston MSA. The upward trend is reflective of the annual adjustment factor that occurs to reflect market demands for rental housing. Given the many constraints on the Greater Boston rental housing market, increasing rents is not a surprising trend and only makes the need for more rental housing at multiple price points a priority.

Figure 17: Fair Market Rents (FMR) by Unit Type
Boston-Cambridge, Quincy MSA, 2009-2013



In order for 1- or 2-bedroom rental units (those most needed for senior and small related households) to be considered affordable and qualify on the State's Subsidized Housing Inventory (SHI), the current FMR would be $1,156 or $1,444, respectively. However, as described earlier, the median gross rent in Lexington was $1,861, indicating that most rental households are paying far more than the FMR. Further, over two-thirds of rental households (67%) are paying more than $1,250 per month on rent (not including utilities), more than the FMR for a 1-bedroom apartment. Over 60% are paying more than $1,500 per month, higher than the FMR for a two-bedroom unit.

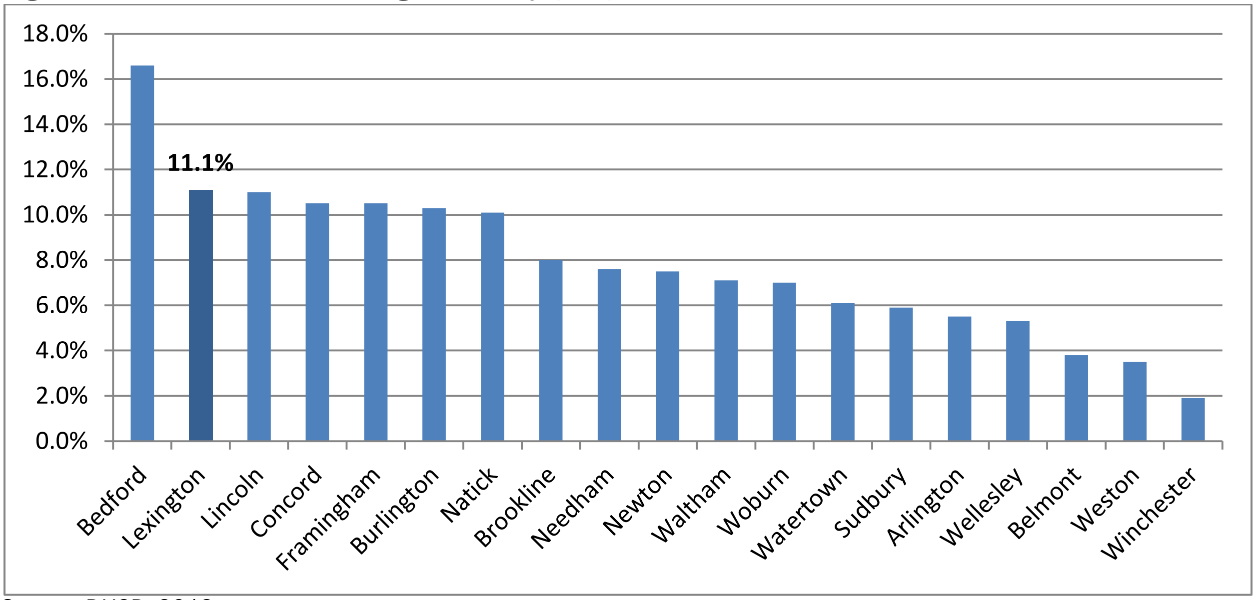
Affordable Housing and MGL Chapter 40B

Under M.G.L. Chapter 40B, affordable housing units are defined as housing that is developed or operated by a public or private entity and reserved for income-eligible households earning at or below 80% of the area median income. The units are also secured by deed restriction to ensure affordability terms and rules. All marketing and placement efforts follow Affirmative Fair Housing Marketing guidelines per the Massachusetts Department of Housing and Community Development. (See Appendix A.)

Housing that meets these requirements, if approved by the Massachusetts Department of Housing and Community Development, are added to the Subsidized Housing Inventory (SHI). Chapter 40B allows developers of low and moderate income housing to obtain a Comprehensive Permit to override local zoning and other restrictions if less than 10% of that community's housing is included on the SHI.

Lexington has accomplished much in terms of creating affordable housing over the years. As of May 2012, Lexington's SHI was 11.1%, with a total of 1,329 affordable units, and above the 10% of total units thresholds needed to be exempt from the Chapter 40B comprehensive permit process. Of the 19 subregion communities analyzed for comparison, Lexington had the second highest SHI.

Figure 18: Subsidized Housing Inventory (SHI), 2012



Source: DHCD, 2012

Fortunately, of Lexington's 1,329 affordable units, over 80% of units are affordable in perpetuity. However, 150 units could expire before 2020, including the 128-unit Katahdin Woods Apartments. Should all of these units expire, Lexington's SHI would be 9.9%, below the 10 percent threshold. For Lexington to maintain an SHI above 10 percent, it is important that the town work with owners of expiring units to potentially recertify those rental units, and/or add more units to the inventory by 2020. Additionally, because the SHI is determined using the total number of housing units from the most recent decennial census (the denominator), the number of SHI units (the numerator) must grow. That means that even if the number of SHI units stays the same, but enough market rate units (owner or rental) are built, the SHI could fall below 10 percent.

Figure 19: SHI Formula

# of subsidized units	÷	total year round housing units per last decennial census	=	SHI %

Affordability Gap

Another way to measure housing affordability is to compare the median home sale price in a community to the price that a household at the community's median income can afford. The difference between these values is defined as the affordability gap. As housing prices increase, the affordability gap widens.

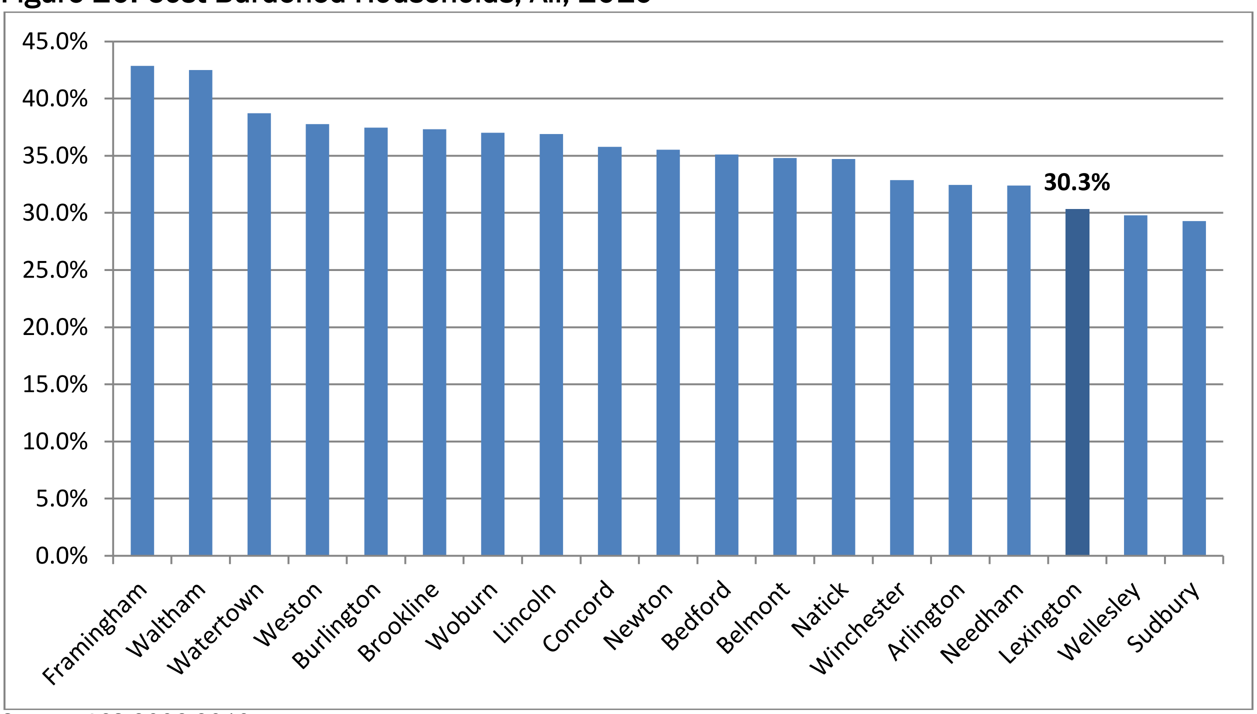
To afford the median sales price of a single-family home in Lexington ($701,000 in 2011), a household would have to earn approximately $181,306[7], significantly higher than the town's median income of $132,931. To afford the median sales price of a condo in Lexington ($543,000 in 2011), a household would have to earn approximately $139,373, which is also higher than the town's median income.

A Lexington household earning the median income of $132,931 could afford a house priced at approximately $568,348, resulting in a significant affordability gap of $132,652 for single-family homes. The gap widens even further for low income households. However, there is no affordability gap for condos, since the median price is lower than what Lexington households earning the median income can afford.

Cost Burden

One method to identify if housing is affordable to a community's population is to evaluate households' ability to pay their mortgage or rent based on their incomes. Households that spend more than 30% of their income on housing are considered to be housing cost burdened. Households that spend more than 50% are considered to be severely cost burdened.

Figure 20: Cost Burdened Households, All, 2010



Source: ACS 2006-2010

According to ACS figures, approximately 30.3% of Lexington's households were cost burdened in 2010. (HUD considers it to be a significant issue when over 30% of households

[7] Estimates are generated using a mortgage calculator that assumes a good credit profile, a 30-year fixed mortgage at 5%, with a $50,000 down payment, a 1.52% property tax rate, and private mortgage insurance rate of 0.5%.

are cost burdened.) Although Lexington's cost burden percentage is lower than most surrounding communities, the 30.3% translates into an estimated 3,454 households in Lexington. Further, Lexington's renter households are more cost-burdened than owners by percentage (not in total numbers). Nearly 40% of renter households are cost burdened, compared to 28% of owners.

Level of Cost Burden by Type

To better identify affordable housing need, cost burden by household type was analyzed using CHAS data. In addition to identifying low-income households as previously discussed in the income section, CHAS data identifies cost burden by low income category (low, very low, extremely low) and by household type (elderly, small related, large related and other), as well as middle income households (80-120% median income) with housing problems.

Key Findings

- Lexington's low income households are more likely to be housing cost burdened than those earning above 80% AMI
- 75% of all low-income households are cost burdened, compared to only 16% of those above 80% AMI.
- Cost burden was a significant issue among all low-income household types.
- The most significant cost burden is among elderly households (34% of total), including market rate rental elderly households (37% are cost burdened), and low income elderly households (75% or 895 households).

The following is a summary of cost burdened households by type. Again, it is important to note that HUD considers it significant if more than 30% of either owner or renter households in a community are cost-burdened, or 15% or more are severely cost burdened.

Elderly 1&2 Person Households

- *Total Elderly Households*: 34% of all Elderly 1&2 member households are cost burdened; 18% are severely cost burdened.
- *Total Low Income Elderly Households*: 75% of all low income Elderly 1&2 member households are cost burdened; 47% are severely cost burdened
    - 81% of Extremely low income (<30% AMI) Elderly households are cost burdened; 61% are severely cost burdened
    - 96% of Very Low Income (30>50% AMI) Elderly households are cost burdened; 51% severely cost burdened
    - 49% of Low Income (50<80% AMI) households
- Elderly owner households are more cost burdened than renter households, by percent and total numbers
    - 100% of extremely low income, and very low income elderly owner households are cost burdened
    - 37 percent of elderly renter market rate households (>80%AMI?) are cost burdened.

Small Related (2-4 person) Households

- *Total Small Related Households*: 21% of all small related households are cost burdened; 8% are severely cost burdened.
- *Total Low Income Small Related Households*: 69% of all Low Income small related households are cost burdened; 52% are severely cost burdened
    - 53% of Extremely Low Income (<30% AMI) small households are cost burdened; 47% are severely cost burdened.
    - 83% of Very Low Income (30>50% AMI) small households are cost burdened; 67% severely cost burdened
    - 75% of Low Income (50<80% AMI) small households are cost burdened; 47% are severely cost burdened.
- Owners are more cost burdened than renters, both by percentage and number of households.

Large Related (5+ person) Households

- *Total Large Related Households*: 25% of all large related households are cost burdened; 6% are severely cost burdened.
- *Total Low Income Large Related Households*: 75% of all Low Income small related households are cost burdened; 16% are severely cost burdened
    - 100% of Extremely Low Income (<30% AMI) large households are severely cost burdened.
    - 100% of Very Low Income (30>50% AMI) large households are cost burdened; none are severely cost burdened
    - 65% of Low Income (50<80% AMI) large households are cost burdened; 7% are severely cost burdened.
- Renter households are more cost burdened than renters, both by percentage and number of households.

Other (singles, unrelated persons) Households

- *Total Other Households*: 35% of all other households are cost burdened; 20% are severely cost burdened.
- *Total Low Income Other Households*: 87% of all Low Income other households are cost burdened; 44% are severely cost burdened
    - 71% of Extremely Low Income (<30% AMI) other households are cost burdened; 50% are severely cost burdened.
    - 100% of Very Low Income (30>50% AMI) other households are cost burdened; 46% are severely cost burdened
    - 87% of Low Income (50<80% AMI) other households are cost burdened; 38% are severely cost burdened.
- Owner households are more cost burdened than renters by percentage, but a larger number of renter households are cost burdened.

As Lexington's population grows and ages, cost-burden is likely to increase as many elderly persons have fixed-incomes, which can make it difficult to pay for emergency repairs, routine maintenance, and other retrofitting to age in place. Ensuring units are in place for this, and other cost-burdened populations within Lexington should remain a priority for the community.

Middle-Income Housing Problems

CHAS data also looks at the extent of housing problems for middle-income households earning between 80 and 120 percent of AMI. A household is said to have a housing problem if they have 1 or more of these 4 problems:

1) housing unit lacks complete kitchen facilities
2) housing unit lacks complete plumbing facilities
3) household is overcrowded; and
4) household is cost burdened.

2006-2010 American Community Data estimates indicate that less 0.3% of Lexington's housing units lack either complete kitchen or plumbing facilities (21 and 32 units, respectively), and less than 1% of total housing units (41 total) have more than 1 occupant per room. Therefore, it can be assumed that the housing problem for most households represented below is cost burden. As shown in Table X, 44.6% of owner-occupied households and 49 percent of renter-occupied households earning between 80-120 percent of AMI have a housing problem.

Table 14: Housing Problems for Lexington Households at 80-120% of AMI

	#	% with Housing Problem
Total Owner occupied HH: 80 - 120 % AMI	875	n/a
with Housing Problem	390	44.6
Total Renter occupied HH: 80 - 120 % AMI	245	n/a
with Housing Problem	120	49.0

Source: Department of Housing and Community Development 2005-2009 CHAS Data

Gaps Between Existing Needs and Current Supply

The following charts compare the estimated number of households in Lexington by income category and tenure (home owners vs. renters) and the number of housing units within Lexington that are affordable to these households – the need (households) and supply (units).

Figure 21 shows that there are a greater number of owner households at or below 50 percent of the Area Median Income than there are units affordable within that income range. Similarly, those households earning between 50 percent and 80 percent of the Area Median Income are unlikely to find units to purchase as there are very few that are affordable within their income range as well. However, owner households earning above 80 percent AMI are not constrained. There are far more housing units affordable to these households than there are households. This indicates that many of the housing units affordable to those earning above 80 percent AMI are actually occupied by households who cannot afford these units – those earning below 80 percent AMI.

Renters face similar challenges, but not to the same extent. Renter households earning at or below 50%, and between 50 and 80% of the Area Median Income are somewhat constrained by affordable rental housing availability. There are slightly fewer units affordable to these households than the number of households. Conversely, there are slightly more units available to higher income households (above 80% AMI).

Figure 21: Housing Gap for Affordable Housing by Type in Lexington

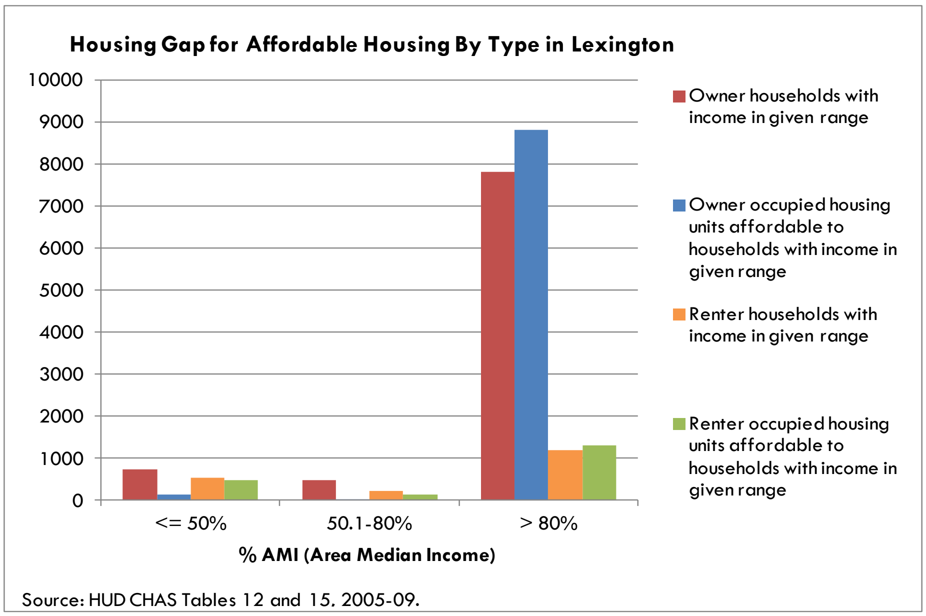


Figure 22: Housing Gap for Affordable Housing in Lexington

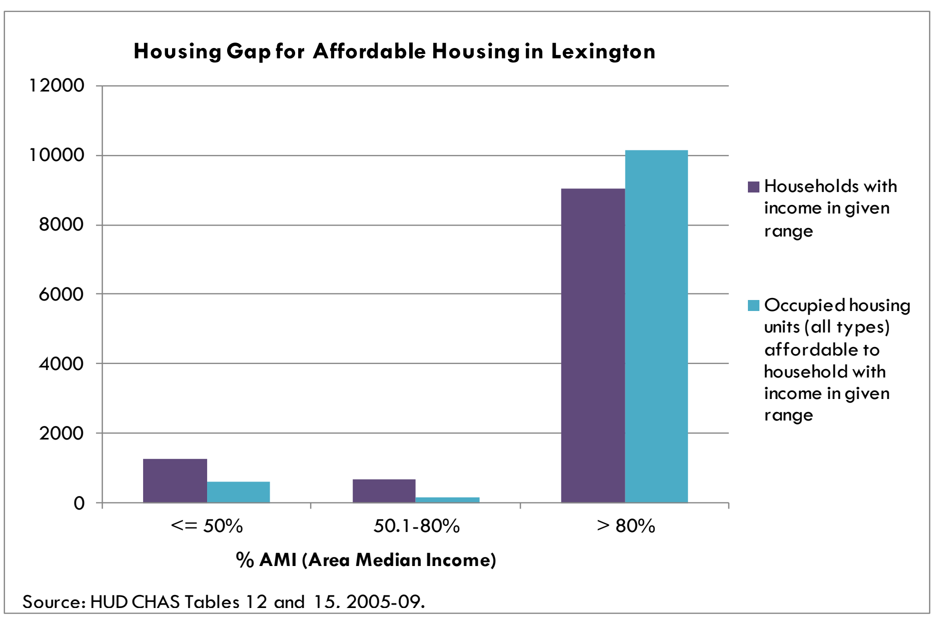


Figure 22, however, summarizes the needs of all households, renter and owner combined. The major finding is that there is a gap between the number for households earning at or below 50% of the Area Median Income and the number of housing units affordable within this income range. The same appears to be true for those earning between 51 and 80 percent AMI – there are fewer units available than there are households. However, there is a significant supply of housing units affordable to households earning greater than 80% of the Area Median Income. This indicates a housing mismatch, where lower income households are living in units affordable to higher incomes, thus indicating a need for more housing units specifically dedicated to households earning below 80 percent AMI. This notion is supported by the high percentage of households earning below 80 percent of AMI that are cost burdened or severely cost burdened.

Foreclosures

The Greater Boston region was spared the worst impacts from the recent housing crisis. Nevertheless, foreclosures in the region did surge over the last decade. This is important, because as homes become foreclosed, households are forced to relocate, often increasing demand for affordable housing options. However, at Table 15 shows, foreclosures have not been a significant issue in Lexington, which has fared well in terms of foreclosures when compared to the state and other nearby communities.

Table 15: Foreclosure Information, Marlborough and MetroWest Communities, 2011

Community	Petitions to Foreclose, 2011	Foreclosure Auctions, 2011	Foreclosure Deeds, 2011	Foreclosure Deeds (2011) as a percentage of total units (2010)
Arlington	17	10	8	0.04%
Bedford	7	6	1	0.02%
Belmont	18	16	6	0.06%
Brookline	17	30	7	0.03%
Burlington	26	27	9	0.09%
Concord	5	12	4	0.06%
Framingham	103	205	81	0.29%
Lexington	**13**	**26**	**6**	**0.05%**
Lincoln	1	2	0	0.00%
Natick	27	57	37	0.26%
Needham	8	22	3	0.03%
Newton	39	86	23	0.07%
Sudbury	12	28	6	0.10%
Waltham	39	0	35	0.14%
Watertown	21	45	14	0.09%
Wellesley	9	14	5	0.05%
Weston	6	12	7	0.17%
Winchester	16	17	5	0.06%

Woburn	47	52	20	0.12%

Source: Greater Boston Housing Report Card, 2012

The total number of foreclosure deeds indicates the number of homes that are in the final stage of the foreclosure process. In 2011, there were only 6 foreclosure deeds, or 0.05% of all housing units. This places Lexington among communities with the lowest foreclosure rates.

IV. Constraints on Development

Residential development is influenced by various factors, including historical development patterns, local land use regulations and restrictions or covenants, availability of developable land, natural constraints and municipal infrastructure. This section provides an overview of the development constraints impacting residential development in Lexington, including regulatory, environmental and physical obstacles to the creation of affordable housing.

A. Regulatory Constraints

Zoning

Zoning bylaws regulate the type and location of development. Ideally, zoning reflects land use decisions reached during development of the community's comprehensive plan. In general, Lexington's Comprehensive Plan (2003) encourages the continuation of Lexington's single-family identity, while looking to provide opportunities for increased housing diversity in appropriate locations. Identified goals and actions related to housing include:

- Housing to support the social and economic diversity of Lexington
- In the disposition of "surplus" land, give the priority to uses for which land is essential: diversity-serving housing and the preservation of open space
- Facilitate mixed uses where appropriate, such as housing uses in Lexington Center and more versatile commercial development to serve neighborhoods.
- Develop incentives to encourage cluster housing development
- Consider provisions to control the adverse effects of out-of-scale houses, where appropriate.
- Explore revising zoning to allow residential use in Lexington Center and review current zoning to identify impediments to mixed use in other parts of town.

Table 16: Lexington Zoning Districts

District	Description	Acres	Percent of Total Land Area in Lexington
RO	One-family Dwelling	5,700	54%
RS	One-family Dwelling	3,797	36%
RT	Two-family Dwelling	54	1%
RM	Multifamily Dwelling	55	1%
RD	Planned Residential Development	183	2%
CN	Neighborhood Business	18	0%
CRS	Retail Shopping	34	0%

CS	Service Business	7	0%
CLO	Local Office	25	0%
CRO	Regional Office	149	1%
CB	Central Business	16	0%
CD	Planned Commercial Development	216	2%
CM	Inductstrial	349	3%
ALL	*Total All Districts*	*10,603*	

Source: Town of Lexington GIS

Allowed Residential Uses by Zoning District

The Town of Lexington's zoning bylaw includes five residential zones: two one-family districts (RO and RS), a two-family district (RT), a multifamily district (RM) and a planned residential district (RD). As described below, one of the greatest constraints to a more diverse housing stock to serve the needs of different household types is the limited opportunities for development beyond single-family structures.

Single-Family Districts

The single-family RO and RS zoning districts are intended specifically to encourage and allow for low density housing development for families with children or for small households. These districts also allow for related public or institutional uses (e.g. schools). The RO district sets a minimum lot area of 30,000sf, whereas the RS allows for higher density single-family housing with a minimum lot area requirement of 15,500sf. Combined, these two districts account for approximately 90% of all land in Lexington, the majority of which has already been developed.

Two Family District

Only 1% of town land is zoned for two-family residential development in and around the East Village Historic District along Massachusetts Avenue. The purpose is to provide opportunities for low density development for families and smaller households in either ownership or rental properties. Minimum lot area is the same as in RS zones, at 15,500sf. Again, the majority of land in these zoning districts are already developed.

Multifamily District (RM)

The RM zoning district was intended to provide for higher density residential development in apartment style structures for small households looking for rental opportunities within Lexington. While these districts still exist, new multifamily dwellings are not permitted in these districts. Standards only apply to RM districts that existed prior to 1985. Multifamily housing is now allowed in RD districts (see below).

Planned Residential Districts (RD)

Multifamily residential development is only allowed in Planned Residential Districts. The intent of RD districts is to provide for higher density development for small families, and single persons in different unit types in a planned setting. However, RD districts are created on a project by project basis and require a special permit from the Zoning Board of Appeals, as well as approval at Town Meeting. Only after both approvals are the districts mapped. Currently, 2% of town land has been approved and zoned for these developments.

It is a fairly onerous process compared to other communities where multifamily is allowed as of right in multifamily zoning districts that are mapped. Particularly, the requirement of Town Meeting approval may discourage developers from pursuing larger, multi-family or mixed-use projects since there is a strong possibility that a project won't go forward. Developers often like to build in places where their projects and associated investment are likely to move forward.

Table 17: Residential Uses Allowed by Zoning District

	RO RS	RT	RM	RD*	CN	CRS	CS	CB	CLO	CRO	CM
RESIDENTIAL USES											
One-family Dwelling	Y	Y	Y	SP	Y	N	N	N	N	N	N
Two-family Dwelling	N	Y	Y	SP*	Y	N	N	N	N	N	N
Conversion of one-family to congregate living facility	SP	SP	Y	SP*	SP	N	N	N	N	N	N
Dwelling unit above the street level floor in a commercial or institutional building	N	N	N	N	N	N	N	Y	N	N	N
RESIDENTIAL DEVELOPMENTS	SPS	SPS	N***	SPS	N	N	N	N	N	N	N
One-family detached	Y	Y	N***	SP*	N	N	N	N	N	N	N
Two-family	SP	Y	N***	SP*	N	N	N	N	N	N	N
Townhouse	SP	SP	N***	SP*	N	N	N	N	N	N	N
Three-family, four-family, multifamily	N	N	N***	SP*	N	N	N	N	N	N	N
Rooming house, group quarters	N*	N**	N***	SP*	N	N	N	N	N	N	N
Group Care Facility, Long-term care, assisted living, etc.	N	N	N***	SP*	N	N	N	N	N	N	N
Conversion of municipal building to residential	SPS	SPS	N***	SP*	N	N	N	N	N	N	N
ACCESSORY USES FOR RESIDENTIAL USES											
Rooming units without kitchen facilities	Y	Y	Y	SP	N	N	N	N	N	N	N

By-right Accessory Apartment	Y	N/A	Y	N/A	Y	N	N	N	N	N	N
Special Permit Accessory Apartment	SP	N/A	SP	N/A	SP	N	N	N	N	N	N
Accessory structure apartment	SP	SP	SP	N/A	SP	N	N	N	N	N	N
Bed and Breakfast Home	Y	N	N	N	N	N	N	N	N	N	N

Y – Yes, permitted as of right
N – No, not permitted
SP – Special permit required
SPS – Special permit with site plan review required
*Subject to a preliminary site development and use plan
**Y, if accessory to a religious or educational use
***Development of new multifamily dwellings is not permitted in the RM District; these uses are permitted in R< Districts in existence n January 195.

Mixed Use Districts (CB and CD)

The only mixed-use residential development allowed as of right is allowed in the CB district in Lexington Center. Here, residential units are allowed above the street level floor in either a commercial or institutional building. Mix-used is also allowed within CD Planned Commercial Districts through a special permit process, which requires a vote at Town Meeting to proceed similar to the process highlighted for RD districts.

Senior Housing

While there is no specific Senior Housing Bylaw[8] in Lexington, the Lexington zoning specifies a range of residential facilities for seniors primarily by special permit in residential districts. This include assisted living residences, congregate living facilities[9], continuing care retirement facilities, as well as independent of long-term care facilities. (For more information, see §135-23 in the zoning bylaw.)

Accessory Apartments

Accessory apartments have the potential to provide for additional opportunities for smaller scale and affordable alternatives to single-family homes in Lexington. The Town allows accessory apartments by-right or by special permit. As stated in the zoning bylaw, the general objectives of these units is to increase the number of small dwelling units available for rent in Lexington; increase the range of choice of housing accommodations; encourage greater diversity of population with particular attention to young adults and senior citizens; and encourage a more economic and energy-efficient use of the Town's housing supply while maintaining the appearance and character of the Town's single-family neighborhoods.

[8] Senior housing bylaws often encourage development of moderately priced housing unit types attractive to and/or restricted to people over 55 years of age, often using increased density allowances as an incentive to build units.
[9] Congregate living facilities are allowed by right in RT zoning districts.

In addition to these goals, accessory units may also assist cost burdened owner occupied households with rental income.

Accessory units are allowed by-right in single-family and multifamily zoning districts if the apartment is within the principal structure, no more than 1,000 sf, no more than 2 bedrooms, the lot is at least 10,000sf, there are no extensions or enlargements of the dwelling unit (with some exceptions), and the building is at least 5 years old. Accessory apartments created by enlargement or additions to the principal structure are allowed by special permit from the Board of Appeals.

Accessory structure apartments are allowed only by special permit from the Board of Appeals if certain criteria are met. This includes, but is not limited to, a minimum lot area is met (18,000sf in RS, RT and CN; 33,000sf in RO; and 125,000 in RM), and that the accessory structure does not exceed 1,000sf.

Inclusionary Housing Policy

The Lexington Inclusionary Housing Policy was in effect until 2007 and successfully helped the town achieve the 10% SHI goal. The policy, which was never codified, was voted down at Town Meeting in large part because the town had reached the 10% level that year.

Lexington's inclusionary housing policy required that developers seeking a multi-unit higher density (than underlying district) rezoning to create housing units for low- and moderate-income families. The policy required as a condition for granting an increase in density that was allowed by right the following:

- 5% of units in the development be donated by the housing developer to the Housing Authority for low-income tenancy, or,
- 15% of the units in the development be offered to the Lexington Housing Authority for purchase at levels established by housing subsidy programs, or
- 25% of the units in the development be set aside as moderate-income units to be purchased or rented by eligible households, or
- 40% of the units in the development be set aside as middle-income units to be purchased by eligible households.

Affordable units were allowed to be located either within the development or a percentage of units elsewhere in town. If the developer was unable to meet the requirements above, the developer could elect to make a financial contribution to the Lexington Housing Authority (LHA) or the Lexington Housing Assistance Board (LexHAB) in lieu of providing units. The cash contribution must be equal to 3% of the sales price of all the units in the development.

Today, the Town works with developers to include new affordable units in developments. However, it would be beneficial and more predictable to reinstate the policy or codify it in the zoning bylaw.

B. Natural and Physical Constraints

For the purposes of this document, protected open space and natural resources such as wetlands, surface water, and endangered species habitats may be considered constraints to potential residential development, and will be discussed as such, since their presence on a parcel may render that portion of the property unbuildable, or may require mitigation measures.

As detailed below, a small percentage of Lexington's total land area includes these sensitive environments. However, given that much of the town is already developed, they do serve as constraints to housing development. Understanding these limitations and where they exist is needed to identify target development areas that can accommodate growth at desired and appropriate densities to achieve affordable housing goals.

Wetlands and Floodplains

Wetlands are important because they provide floodwater retention, groundwater recharge and wildlife habitat. However, these areas also constrain development in some of Lexington's residential districts because wet parcels either cannot be developed at or, or significant portions cannot, limiting housing development potential.

According to MassGIS data, there are 1,300 acres of wetlands in Lexington, just over 10 percent of total land area in town. Considering the extent to which Lexington is already built out, and the large percentage of land zoned for single-family only residential development, these wet areas pose a significant constraint to development. Additional zoning protections for these valuable wetland resources, including the Wetland Protection District and National Flood Insurance District, further constrain development potential.

Wetland Protection District

The purpose of the Wetland Protection District is to preserve and maintain the groundwater table; protect the public health and safety by protecting persons and properties against the hazards of floodwater inundation; and to protect the community against costs which may be incurred when unsuitable development occurs in swamps, marshes, etc.

This includes some of the larger undeveloped parcels of land around the City of Cambridge Reservoir and Hobbs Brook in the southwestern corner area of town, as well as areas around Clematis and Mill brooks to the east.

National Flood Insurance District

This special overlay district includes all floor hazard areas in Lexington designated as Zone A or AE on local Flood Insurance Rate Maps (FIRM) issued by FEMA for Middlesex County, and prohibits development in all areas within the one-hundred-year base flood elevations.

Rare and Endangered Species Habitat

Estimated Habitats for Rare Wildlife are regulated under the Massachusetts Wetlands Protection Act, and any development within the Habitat must be reviewed under the State's Natural Heritage and Endangered Species Program. According to MassGIS data, there are only 98 acres within Lexington, located west of Rte 128. Therefore, these areas do not present a significant constraint to affordable housing development within Lexington.

Municipal Infrastructure

Drinking Water & Sewer

Water and sewer supply are not considered to be significant constraints on housing development in Lexington. Lexington belongs to the Massachusetts Water Resources Authority (MWRA), purchasing nearly 2 billion gallons of water annually to serve town residents and businesses. The Town pays the MWRA to treat and dispose of the town's sewage. Nearly all residential units in town are connected to the public water system, and all but 6% of units are connected to public sewer. Infrastructure consists of 158 miles of water main, 2 water towers storing 3 million gallons, 1,500 fire hydrants, 3,400 street and hydrant control valves, and about 10,000 residential control valves located on property lines. Four main water transmission lines serve Lexington: 16" main at Summer St., 16" main on Mass. Ave. in East Lexington, 12" main at Watertown Street, and 24" main on Concord Avenue. The sewer system has 137 miles of street line sewers, 34 miles of trunk line sewers and 10 sewer pump stations, including the main pumping station at Route 128 and Bedford St., and 4,924 manholes.

With water and sewer infrastructure in place, the only constraint is capacity, and all large developments are required to do an impact assessment, and mitigate as needed to proceed.

V. Existing Municipal Tools and Resources

The Town of Lexington has many existing local resources that can help advance the creation and preservation of affordable housing within the community, including the Planning Office and Board, the Lexington Housing Partnership, Lexington Housing Authority, Lexington Housing Assistance Board (LexHAB), Community Preservation Committee, private developers, the West Metro HOME Consortium, and the Comprehensive Plan.

Lexington Housing Partnership

The Lexington Housing Partnership is a 21-member board consisting of people with interest or expertise in housing issues. Members are appointed by the Board of Selectman for 3-year terms. The intent of the Partnership is to bring together the many groups and/or individuals working on housing issues in Lexington to create more affordable housing in the community.

The Partnership's key goals include broadening opportunities for housing production, particularly housing that is relatively affordable and that serves a range of household types; protecting existing housing to maintain housing unit diversity; developing sources of funding to support housing affordability; and strengthening institutions and administrative systems to facilitate the process of developing desired housing within town that doesn't adversely impact existing neighborhoods.

Lexington Housing Authority

In 1969, MGL Chapter 121B, Section 3, was passed to allow the creation of housing authorities by cities and towns in Massachusetts. The Lexington Housing Authority (LHA) serves the needs of low-income residents through units it owns or operates and through administering vouchers to individuals and households who qualify.

As of December 2012, LHA owned or managed a total of 240 units. The majority of units are 1-bedroom units for elderly or disabled residents in three developments (Countryside Village, Greeley Village, and Vynebrooke Village). Approximately 18 scattered sites are for families (2-, 3- and 4-bedroom units). Additionally, there are 78 vouchers for families in Lexington. Waiting lists vary between 1.5 to 8 years, depending on unit type.

Lexington Housing Assistance Board (LexHAB)

LexHAB administers affordability restrictions placed on housing developed through the Town's efforts and acts as a developer of affordable housing. LexHAB currently owns and operates 64 dwelling units in attached and detached single-family residences. The board acts as a developer of affordable housing, funded through developer payments in lieu of affordable units and from other public sources.

Community Preservation Act (CPA)

The Town of Lexington voted to adopt the Community Preservation Act (CPA) at the 2006 Town Meeting with a 3% surcharge on all real estate property tax bills, with exemptions for persons who qualify for low income housing and for the first $100,000 of residential property value.

Four eligible activities can be funded with CPA funds: Community Housing, Historic Preservation, Open Space and Recreation. The first three are required and the fourth is optional. The legislation requires that a minimum of 10% of all collected CPA funds (local and state) must be spent of each of the three required activities.

Lexington has allocated significant sums into affordable housing, including for maintenance and repair or existing units, property and unit purchases, and set asides for future affordable housing acquisition through LexHAB.

Table 18: CPA Expenditures on Housing 2007-2013

YEAR	AMOUNT	PROJECT
2007	$228,404	Housing Authority
2007	$300,000	Supportive Living Inc., Douglas Community Housing
2007	$53,500	Muzzey High Condominium Association
2008	$652,800	Parker Manor Condo Purchases for low and moderate HHs
2008	$25,000	Lexington Housing Partnership/LexHAB Affordable Ownership Study
2008	$320,828	Housing Authority
2009	$845,000	Property Purchase – 3 properties for 4 units of affordable housing
2009	$4,197,000	Property Purchase – 7.93 acres potentially for affordable housing
2010	$695,000	LexHAB Purchase – 2 affordable units
2010	$386,129	Housing Authority
2010	$10,000	Drainage Study for Vynebrooke Village
2011	$450,000	LexHAB (Set aside for Housing Acquisition)
2011	$364,000	Vynebrooke Village drainage improvements
2012	$450,000	LexHAB (Set aside for Housing Acquisition)
2012	$810,673	Housing Authority – 4 accessible low income handicapped units

2007, 2008, 2010 funding for the housing authority were used for repairs/maintenance at Greeley Village

HOME Funds

HOME is a federal housing program administered by the U.S. Department of Housing and Urban Development (HUD). HUD distributes funds to groups of adjacent communities create a local consortium. Lexington is part of the West Metro HOME Consortium, which is administered by the City of Newton and currently has 14 members: Bedford, Belmont, Brookline, Concord, Framingham, Lexington, Lincoln, Natick, Needham, Newton, Sudbury, Waltham, Watertown, and Wayland.

The allocation amount varies according to HUD formulas based on entitlement parameters of population, rental housing units occupied by the poor, poverty households living in rental units built before 1950, families in poverty, and rental housing units with problems. The Consortium also brings each community into a local housing network. The network provides both informal contacts among housing professionals and opportunities for more formal exchanges of information and technical assistance.

Estimated HOME allocation funding from the FY11-15 Consolidated Plan is as follows:

- Funding pool for the creation of affordable housing: $54,413 per year
- Administration of Lexington's HOME Program: $4,544 per year

Regional Housing Services Office

Lexington is a member of the 6-town Regional Housing Services Offices operated by and run out of the Town of Sudbury. Participating communities include Acton, Bedford, Lexington, Lincoln, Weston and Sudbury. The fee-for-service housing office was formed in 2011 through an Inter-Municipal Agreement to provide affordable housing administrative services for the six participating municipalities. Core services handled by the office include annual monitoring of all rental and ownership affordable housing units and developments, SHI administration, HOME administration, local support including project consultation, and regional activities including ready renter and buyer lists.

Previous Planning

Lexington has invested resources in developing and publishing strategic and important land use plans to help guide future development within the community. The 2002 Comprehensive Plan, ***"The Lexington We Want"***, particularly sets the key goals, strategies and guidelines for Lexington. The plan includes elements focusing on Housing, Land Use, Natural and Cultural Resources, Economic Development, and Transportation (adopted 2003).

The ***2009 Open Space and Recreation Plan*** prepared for the Town of Lexington by consulting firm, VHB, primarily recommends programmatic and funding mechanisms, along with acquisition of parcels that are important from environmental, recreational or historical perspectives.

VI. Housing Goals and Objectives

The overarching vision for Lexington is to maintain and encourage a balanced housing stock while maintaining the 10% subsidized housing inventory (SHI)

A. Defining Housing Goals

On November 15, 2012, the Metropolitan Area Planning Council (MAPC) facilitated a public meeting in Lexington as part of this process. 15 people attended the meeting, which was held at the Town Hall in the Selectmen's Meeting Room. The context provided for this discussion was MAPC's analysis of housing needs that included data points of demographic characteristics, household characteristics and existing housing stock, and income and affordability, which helped outline housing needs in Lexington in the context of trends in a nineteen community subregional study area, the MAPC region, and the state.

During summer 2012, a Housing Opportunities Survey collecting similar information was administered over the last several months by Metro West Collaborative Development. This content will also be considered in developing the possible housing development opportunities list and implementation strategies section of the Housing Production Plan.

The following is a summary of comments emerging from the meeting.

Based on the data shared, what do you think Lexington's housing goals should be?

- Maintain the existing affordable subsidized housing inventory (11%) through the next decennial Census (2020)
- Create a plan for affordable housing from now through the next ten years
- Define an annual housing production target
- Solve Lexington's housing problems and address housing needs
- Develop an affordable housing strategy that incorporates city-owned land.
- Develop housing for a mix of families, including the middle class (80-120% Area Median Income)
- Ensure that a diversity of people across the economic spectrum are served by housing
- Provide a variety of options and types of housing, e.g. attached multi-family, mixed-use)
- Provide housing for seniors and people with disabilities
- Partner with other entities to create housing opportunities, including mixed-use housing
- Construct affordable housing in a way that fits with a neighborhoods' character; for example, a home may appear large on the exterior but include many units (apartments) on the interior
- Share data about housing needs

What are the barriers to Lexington achieving housing goals?

- Neighborhood resistance to affordable housing, particularly when it is clusters of affordable housing
- Lexington is built up and there is a lack of land; much of the open space is protected in perpetuity. A small portion of town-acquired land is available for affordable housing
- Perceptions that housing prices in town should be at a certain level
- Lack of general understanding of the populations facing housing problems and affordability needs

What are the ways in which Lexington is doing well achieving housing goals? What resources, organizations, or models are assets and worth replicating in the future?

- Interfaith housing on Reed Street
- Reaching and maintaining the State-mandated 10% Subsidized Housing Inventory goal
- LexHAB provides a unique scattered-site housing model
- The Lexington Housing Partnership

Are there specific housing opportunities that exist for redevelopment, preservation, or new housing? New partnerships, resources, and support?

- There may be land (one acre) available at Wright Farm
- Privately-owned parcels that may be available for town acquisition
- Partner with other entities to use tax credits
- Affordable Housing needs to be as proactive as conservation in identifying opportunities
- Lexington Center – include in affordable housing site identification
- Partner with neighboring municipalities to combine small parcels or create scattered site development
- Build at higher densities (two or more stories) especially in areas near public transit, e.g. bus 62

B.Affordable Housing Goals and Strategies

Building off the needs assessment, the goals contained in the Lexington Comprehensive Plan, and the Housing Forum, the following goals and strategies are presented.

GOAL 1: MAINTAIN THE EXISTING SHI (11.1%) THROUGH 2020 AND BEYOND BY PRESERVING EXISTING UNITS AND CREATING ADDITIONAL AFFORDABLE HOUSING.

Lexington has achieved the 40B requirement of 10 percent of year round homes on the state-certified Subsidized Housing Inventory (SHI). As stated earlier in this plan, compliance with 40B allows the community to set a more realistic affordable housing production goal than the 0.5% annual requirement, or approximately 60 new subsidized units per year that would otherwise be required in a Housing Production Plan. However, with 150 units potentially set to expire by 2020, Lexington would fall below 10%. Therefore, maintaining the affordability of these units should be a priority. Further, it is important to continue to create new affordable units because SHI is calculated as a percentage of total units. If enough market rate units are produced in Lexington, but no additional affordable units are added to the inventory, the town's SHI could fall below 10% after the 2020 Census. Therefore, opportunities for new subsidized unit creation should be explored.

STRATEGY 1.1: Prevent existing SHI units from expiring.

The Town of Lexington should work with the owners of SHI units set to expire before 2020, particularly the 128 unit-Katahdin Woods (set to expire in 2013) to recertify all or a majority of existing affordable units to maintain the inventory above 10% through 2020.

Measurable Milestones:

- Recertification of expiring units to remain on SHI.

STRATEGY 1.2: Continue to participate in the Regional Shared Housing Office to help monitor and maintain SHI.

Lexington is a member of the 6-town Regional Housing Services Office. The office assists the town in maintaining and achieving its housing goals in a cost-effective manner, particularly through valuable services like affordable housing monitoring and the recertification of subsidized units.

Measurable Milestones:

- Continue to participate in the Regional Housing Services Office.

STRATEGY 1.3: Develop a minimum of 6-7 affordable units per year through LexHAB and other entities to maintain the subsidized housing inventory.

Although Lexington currently exceeds the 10% SHI level, it is not only important to maintain current units, but to keep up with a growing inventory. Based on an analysis of residential unit growth in Lexington between 2000 and 2011, an estimated 22 net new housing units (excluding large multifamily projects) were added each year over the timeframe. This would suggest that should development remain steady over the next 5-10 years, an additional 2-3 units per year would be required to keep the SHI above 10%. However, according to MAPC Current Trends projections, Lexington's total household count is expected to increase by approximately 1,600 between 2010 and 2035 (64 households a year). Given that Lexington's housing market remained strong throughout the recent recession, and assuming that housing development increases as economic conditions further improve, it is recommended that at a minimum, 6-7 new subsidized units be added to the inventory each year to maintain the town's current SHI (assuming units at Katahdin Woods are recertified and remain on the SHI) to at a minimum meet projected households increases.

Measurable Milestones:

- Continue to use CPA funds to acquire additional property through LexHAB for future affordable housing development.
- Develop 6-7 new affordable units per year through LexHAB, by negotiating with private developers to include affordable units, or other programs.

STRATEGY 1.4: Consider adopting an inclusionary zoning bylaw.

There is currently no mechanism for the Town of Lexington to require affordable units from developers. Prior to 2007, the Lexington Inclusionary Housing Policy required all housing developments that exceeded base zoning densities to provide affordable units, thus helping the town to successfully achieve the 10% SHI requirement. However, the policy ended.

Adopting a new inclusionary zoning bylaw would provide a mechanism to ensure new affordable units are incorporated into larger multifamily developments to maintain the 10% SHI, as well as provide additional housing options for Lexington's cost-burdened low- and middle-income households.

Inclusionary zoning is typically triggered by a set unit threshold in a development. For example, a sample bylaw could state that when a developer proposes to build 10 or more units in a specific district or town-wide, at least 10% of those units must be reserved as affordable. Affordability can be defined based on local needs and designed to be flexible to accommodate changes in local needs. For example, the City of Boston mandates a set-aside of units for middle-income households earning between 80-120% of AMI.

Measureable Milestones

- Review former Inclusionary Housing Policy for Lexington.
- Provide the Planning Board with examples of inclusionary zoning bylaws for review.
- Study recent housing developments in Lexington and nearby communities to determine a project size threshold to trigger the requirement of affordable units in a development, and identify the affordability levels to be targeted.
- Adopt inclusionary zoning.

GOAL 2: PROVIDE SENIORS AND PERSONS WITH DISABILITIES GREATER HOUSING CHOICE SO THAT THEY CAN CONTINUE TO RESIDE IN LEXINGTON.

STRATEGY 2.1: Address Senior Housing Needs

The Housing Needs analysis identified a significant number of senior households in need of potential housing assistance due to cost burdens and related issues with maintaining their homes. The Town of Lexington should consider developing new housing that is handicapped-adaptable or fully accessible to people with disabilities, including seniors, and integrate or connect community supportive housing services into new development.

LexHAB and Lexington Housing Partnership should coordinate with senior advocates in Lexington to help households in need get the support they deserve through local programs or improved living conditions. For a full listing of fuel assistance, weatherization and related programs, visit: http://www.massresources.org/massachusetts_energy_assistance_d.html

Measurable Milestones:

- Include accessible and adaptable units in new developments
- Integrate or connect community supportive housing services into new development.
- Strengthen connections to local senior advocacy organizations to ensure local needs are identified and met.
- Promote existing State and regional programs that will assist with weatherization, rehabilitation, modifications and other home repairs.

STRATEGY 2.2: Explore mechanisms to allow Lexington's seniors to age in place, and to better serve people with disabilities, through housing rehabilitation/modification and buy-down programs.

Lexington should promote existing programs such as the Home Modification Loan Program and match these funds with local Community Preservation Act (CPA) or HOME funds for additional home improvements.

Southern Middlesex Opportunity Council, a regional nonprofit agency serving many communities throughout Middlesex County, offers a Home Modification Loan Program. The program provides no- and low-interest loans up to $30,000 (inclusive of all costs) in a deferred payment loan or amortized loan to modify the homes of elders and individuals with disabilities. Income eligibility requirements are up to 100% to 200% of the Area Median Income. Any homeowner, who is a frail elder or has a disability, has a household member who has a disability, or rents to an individual with a disability (in a building with fewer than 10 units) may apply for this loan. Information about the program is available here: http://www.smoc.org/index.asp?pgid=30.

Measurable Milestones:

- Promote Home Modification Loan Program and leverage local funds.

STRATEGY 2.3: Administer emergency repairs program.

The Lexington Housing Partnership should consider using existing and future housing resources to sponsor a small grant Emergency Repair program, designed to provide assistance to income-eligible Lexington residents to make repairs and alterations to their homes for safety and health reasons. Senior and disabled households should receive priority assistance.

This program can address house repairs like minor plumbing or electrical, light carpentry, smoke and carbon monoxide detectors, weather stripping, grab bars and railing, and other interior and exterior State Building Code updates.

Lexington could create and finance a new program or coordinate with the Regional Housing Services Office to determine if the there is a fit for additional services.

Measurable Milestone:

- Explore the creation of an Emergency Repairs program or work with the RGSO to increase services for housing rehabilitation.

STRATEGY 2.4: Explore opportunities to allow seniors looking to lower housing costs to remain in the community. (See Goal 3 Strategies.)

GOAL #3: MAINTAIN A DIVERSE HOUSING INVENTORY TO INCLUDE OPPORTUNITIES FOR MIDDLE-INCOME HOUSEHOLDS EARNING BETWEEN 80 AND 120% AMI.

STRATEGY 3.1: Identify site(s) for larger scale mixed use development to provide alternatives to single-family homes to meet the preferences of smaller households.

The Planning Board, Lexington Housing Partnership, LexHAB and Housing Authority should work with the community to identify priority housing development sites within Lexington for larger mixed-use and mixed-income developments. This could include a review of town owned parcels, Chapter land, and previously identified opportunity sites (public or private) from the Comprehensive Plan.

Measurable Milestones:

- Identify priority development sites for residential development.
- Formalize site recommendations.

STRATEGY 3.2: Consider by-right zoning overlay districts such as Compact Neighborhood Zoning to allow for and encourage the creation of low, moderate, and middle-income housing.

Lexington Center was identified at the November 15, 2012 meeting as a potential opportunity area for additional affordable housing. Lexington Center and other sections of Massachusetts Avenue may be well-suited for Compact Neighborhood Zoning. The State's Compact Neighborhoods State policy is an overlay zoning district (the Compact Neighborhood) that allows for one or more of the following densities as-of-right in the Compact Neighborhood: a density of at least 8 units per acre for Developable Land zoned for multi-family residential use (2-family or more) or at least 4 units per acre for "Developable Land" zoned for single-family residential use. Compact Neighborhoods also require that 10% of all units constructed within projects of more than 12 units are affordable units. Compact Neighborhoods could help Lexington provide greater housing diversity for a range of incomes, while also helping to maintain the 10% SHI Lexington worked hard to achieve.

Measurable Milestones:

- Provide the Planning Board, Lexington Housing Partnership, and LexHAB with information about Compact Neighborhoods.
- Identify potential areas where Compact Neighborhood Zoning would potentially work, with minimal impacts to existing lower density single-family neighborhoods.

STRATEGY 3.3: Hold discussions with developers to better understand local, regional and statewide housing market development trends.

Having a thorough understanding of housing market trends from various perspectives will help the Town of Lexington to identify and prioritize appropriate housing development types to meet the needs of various demographic groups within the town, and to put into place the necessary policies to achieve desired outcomes.

Measureable Milestones:

- Convene group of local and regional housing developers.

VI. Implementation Plan

Affordable Housing Production Goals, 2013 – 2018

Town of Lexington Affordable Housing Implementation Plan, 2013-2018

Strategy	Responsible Entities	Time Frame	Page #
GOAL 1: MAINTAIN EXISTING SHI THROUGH 2020 AND BEYOND BY PRESERVING EXISTING UNITS AND CREATING ADDITIONAL AFFORDABLE HOUSING.			
STRATEGY 1.1: PREVENT EXISTING SHI UNITS FROM EXPIRING	Town Manager, Planning Department, Lexington Housing Partnership	Near Term	p.46
STRATEGY 1.2: CONTINUE TO PARTICIPATE IN THE REGIONAL HOUSING SERVICES OFFICE TO HELP MONITOR AND MAINTAIN SHI	Town Manager, Board of Selectmen, Planning Board, Lexington Housing Partnership	Ongoing	p.47
STRATEGY 1.3: DEVELOP A MINIMUM OF 6-7 AFFORDABLE UNITS PER YEAR THROUGH LEXHAB AND OTHER ENTITITIES TO MAINTAIN SHI.	LexHAB, Planning Department, Community Preservation Committee, Lexington Housing Partnership	Ongoing	p.47
STRATEGY 1.4: CONSIDER ADOPTING AN INCLUSIONARY ZONING BYLAW	Town Manager, Board of Selectmen, Planning Board	Mid Term	p.48
GOAL 2: PROVIDE SENIORS AND PERSONS WITH DISABILITIES GREATER HOUSING CHOICE SO THAT THEY CAN CONTINUE TO RESIDE IN LEXINGTON			
STRATEGY 2.1: ADDRESS SENIOR HOUSING NEEDS	LexHAB, Lexington Housing Partnership, Planning Department	Near Term and Ongoing	p.48
STRATEGY 2.2: EXPLORE MECHANISMS TO ALLOW LEXINGTON'S SENIORS TO AGE IN PLACE AND TO BETTER SERVE PEOPLE WITH DISABILITIES, THROUGH HOUSING REHABILITATION/MODICFICATION AND BUY-DOWN PROGRAMS	Lexington Housing Partnership, LexHAB, Community Preservation Committee	Ongoing	p.49
STRATEGY 2.3: ADMINISTER EMERGENCY REPAIRS PROGRAM	Lexington Housing Partnership, Regional Housing Services Office	Near to Mid Term	p. 49

Strategy	Responsible Entities	Time Frame	Page #
GOAL 3: MAINTAIN A DIVERSE HOUSING INVENTORY TO INCLUDE OPPORTUNITIES FOR MIDDLE-INCOME HOUSEHOLDS EARNING BETWEEN 80 AND 120% AMI.			
STRATEGY 3.1: IDENTIFY SITE(S) FOR LARGER SCALE MIXED USE DEVELOPMENT TO PROVIDE ALTERNATIVES TO SINGLE-FAMILY HOMES TO MEET THE PREFERENCES OF SMALLER HOUSEHOLDS	Planning Board, Lexington Housing Partnership, LexHAB, Lexington Housing Authority	Near Term	p. 50
STRATEGY 3.2: CONSIDER BY-RIGHT ZONING DISTRICTS SUCH AS COMPACT NEIGHBORHOOD ZONING TO ALLOW FOR AND ENCOURAGE THE CREATION OF LOW, MODERATE, AND MIDDLE-INCOME HOUSING.	Planning Board,	Mid Term	p.50
STRATEGY 3.3: HOLD DISCUSSIONS WITH DEVELOPERS TO BETTER UNDERSTAND LOCAL, REGIONAL AND STATEWIDE HOUSING MARKET DEVELOPMENT TRENDS	Lexington Housing Partnership, Planning Department	Near to Mid term	p.51

Appendix A:

DHCD Affirmative Fair Housing Marketing Guidelines

The Commonwealth of Massachusetts has a compelling interest in creating fair and open access to affordable housing and promoting compliance with state and federal civil rights obligations. Therefore, all housing with state subsidy or housing for inclusion on the Subsidized Housing Inventory (SHI) shall have an Affirmative Fair Housing Marketing Plan. To that end, DHCD has prepared and published comprehensive guidelines that all agencies use to guide the resident selection of affordable housing.

In particular, the local preference allowable categories are specified:

- Current residents: A household in which one or more members is living in the city or town at the time of application. Documentation of residency should be provided, such as rent receipts, utility bills, street listing or voter registration listing.
- Municipal Employees: Employees of the municipality, such as teachers, janitors, firefighters, police officers, librarians, or town hall employees.
- Employees of Local Businesses: Employees of businesses located in the municipality.
- Households with children attending the locality's schools, such as METCO students.

These were revised on June 25, 2008, removing the formerly listed allowable preference category, "Family of Current Residents.")

The guidelines in full can be found at the link:
http://www.mass.gov/?pageID=ehedterminal&L=3&L0=Home&L1=Community+Developme
nt&L
2=Chapter+40B+Planning&sid=Ehed&b=terminalcontent&f=dhcd_legal_ch40bguidelines&
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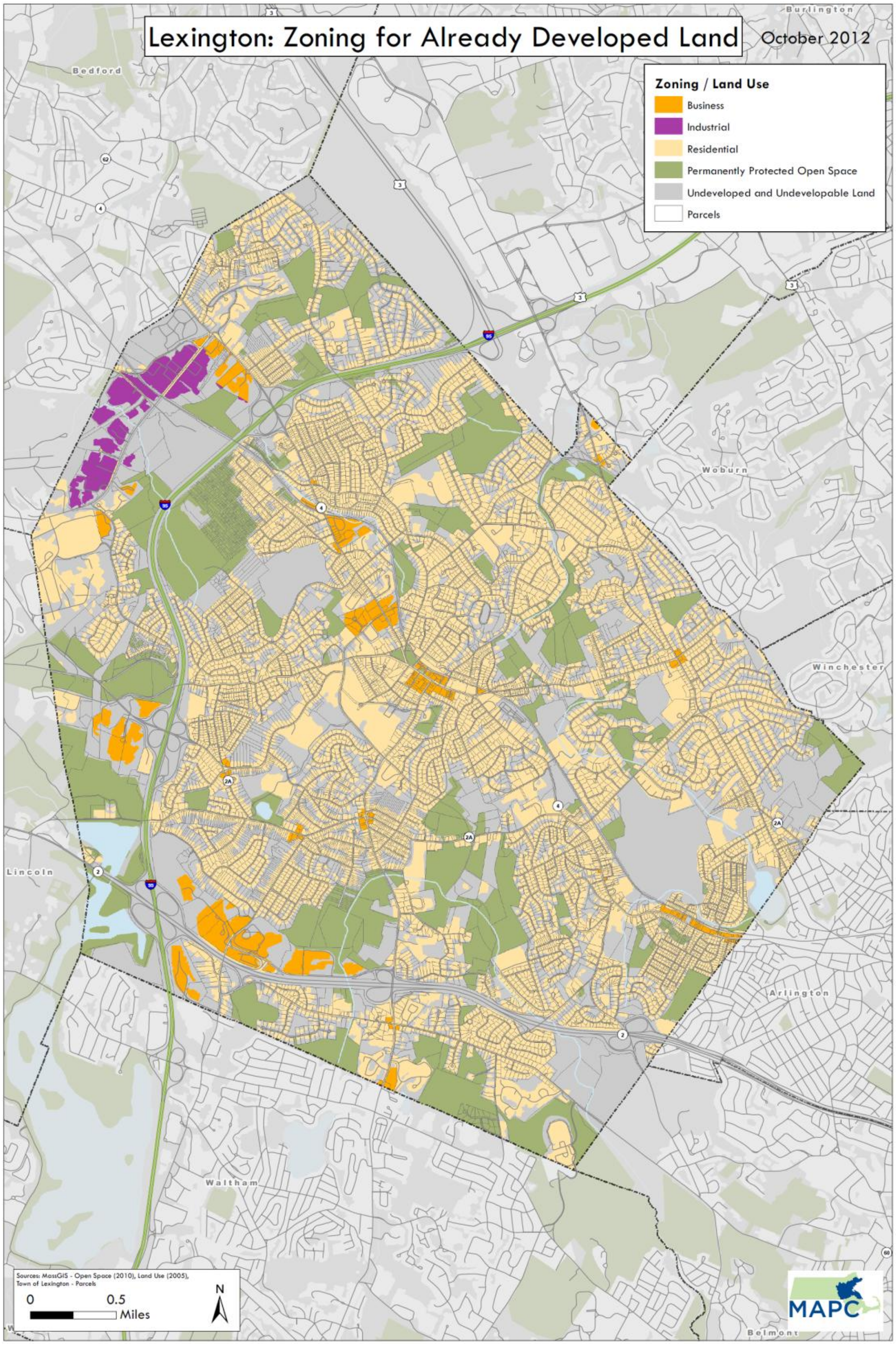
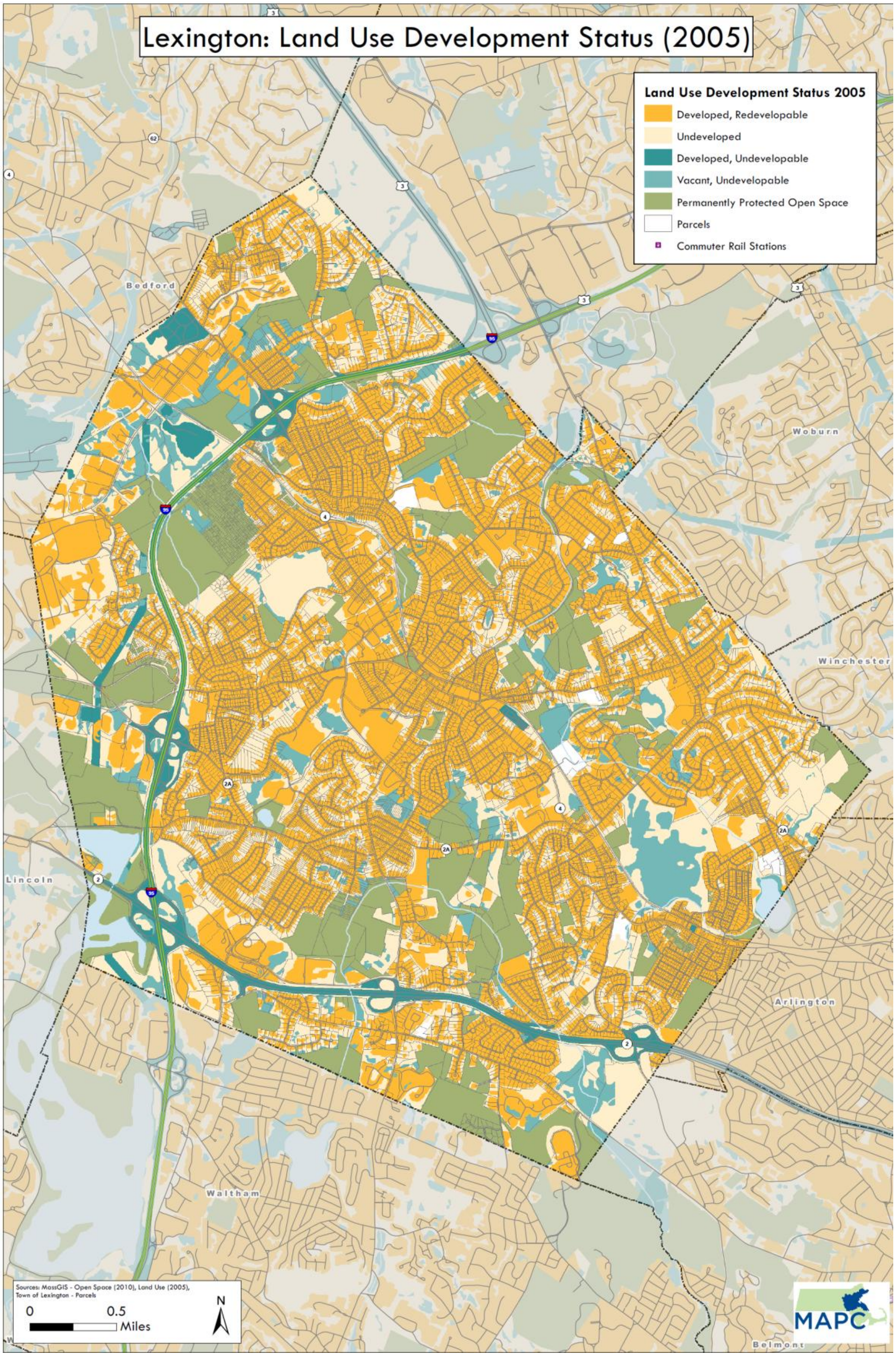
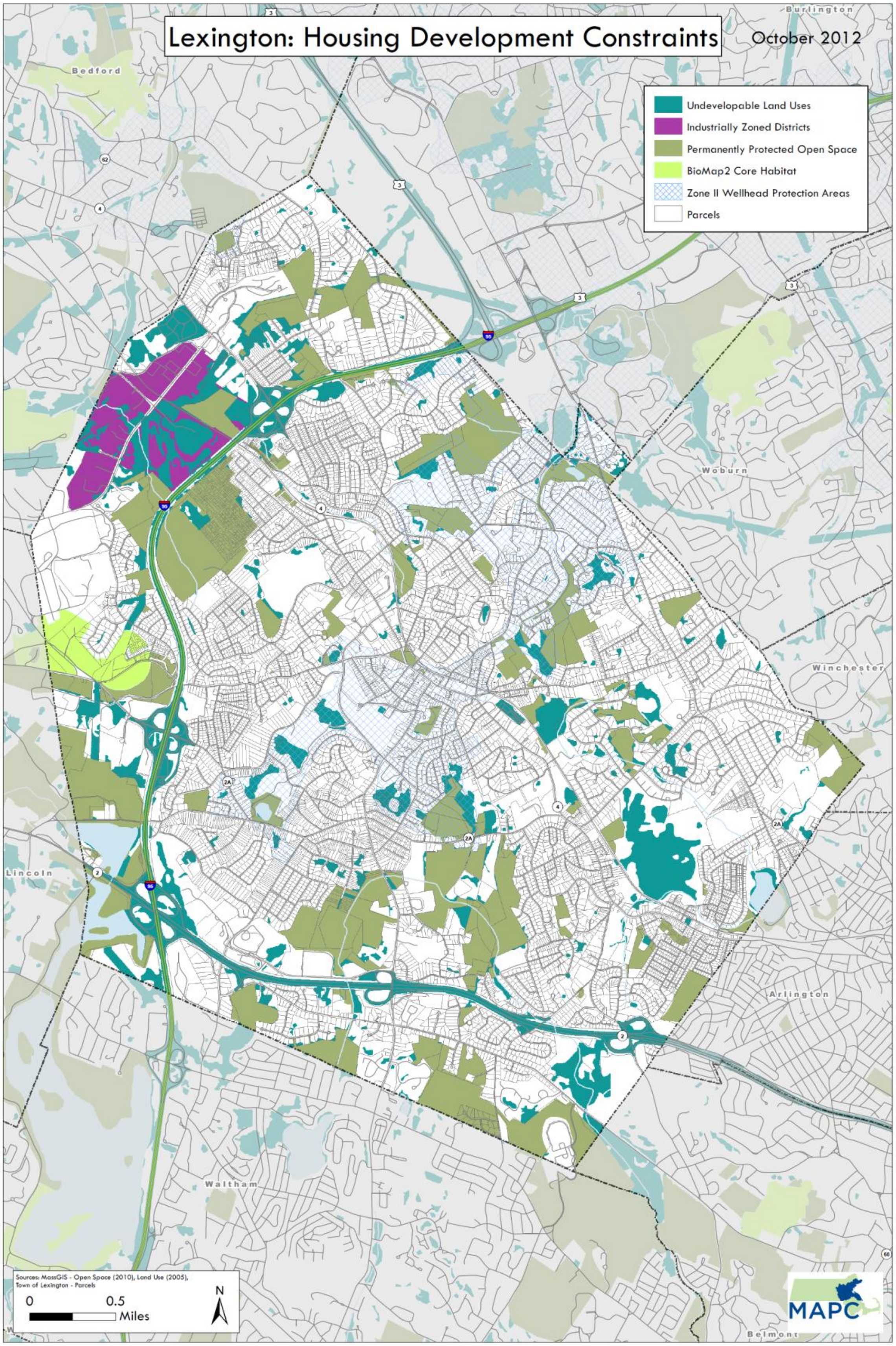
Appendix B: Maps




Lexington: Land Use Development Status (2005)
Land Use Development Status 2005
Developed, Redevelopable
Undeveloped
Developed, Undevelopable
Vacant, Undevelopable
Permanently Protected Open Space
Parcels
Commuter Rail Stations
Bedford
Woburn
Winchester
Lincoln
Arlington
Waltham
Belmont
Sources: MassGIS - Open Space (2010), Land Use (2005), Town of Lexington - Parcels
0
0.5
Miles
N
MAPC



Lexington: Housing Development Constraints
October 2012
Undevelopable Land Uses
Industrially Zoned Districts
Permanently Protected Open Space
BioMap2 Core Habitat
Zone II Wellhead Protection Areas
Parcels
Bedford
Burlington
Woburn
Winchester
Arlington
Belmont
Waltham
Lincoln
Sources: MassGIS - Open Space (2010), Land Use (2005), Town of Lexington - Parcels
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Appendix C: Cost Burden

Housing Expenditures by HUD Income Categories					
Owners					
Household by Type, Income, & Housing Problem	Elderly 1 & 2 member Households	Small Related (2 to 4)	Large Related (5 +)	All Other Households	Total Owners
Household Income (HHI)<=30% MFI	210	30	10	25	275
% with any housing problems	100	66.7	100	60.0	92.7
% Cost Burden >30%	100	66.7	100	60.0	94.5
% Cost Burden >50%	85.7	66.7	100	60.0	81.8
HHI >30% to <=50% MFI	340	75	0	40	455
% with any housing problems	100	100	N/A	100	100
% Cost Burden >30%	100	100	N/A	100	100
% Cost Burden >50%	44.1	73.3	N/A	100	53.8
HHI >50 to <=80% MFI	335	95	35	10	475
% with any housing problems	49.3	89.5	42.9	100	57.9
% Cost Burden >30%	49.3	84.2	42.9	100	56.8
% Cost Burden >50%	29.9	68.4	0	0	34.7
HHI >80% MFI	2,055	4,625	800	355	7,830
% with any housing problems	9.5	17.5	21.3	19.7	15.9
% Cost Burden >30%	9.2	16.9	21.3	19.7	15.5
% Cost Burden >50%	3.2	4.2	5.6	5.6	4.2
Total Households	2,940	4,825	845	430	9,035
% with any housing problems	31.0	20.5	23.1	31.4	24.7
% Cost Burden >30	31.0	19.8	23.1	31.4	24.3
% Cost Burden >50	16.8	6.9	6.5	17.4	10.6

Housing Expenditures by HUD Income Categories					
Renters					
Household by Type, Income, & Housing Problem	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 +)	All Other Households	Total Renters
Household Income (HHI) <=30% MFI	175	140	0	45	355
% with any housing problems	57.1	50.0	N/A	77.8	57.7
% Cost Burden >30%	57.1	50.0	N/A	77.8	57.7
% Cost Burden >50%	31.4	42.9	N/A	44.4	38.0
HHI >30% to <=50% MFI	75	45	15	45	175
% with any housing problems	80.0	55.6	100	100	82.9
% Cost Burden >30%	80.0	55.6	100	100	82.9
% Cost Burden >50%	80.0	55.6	0	77.8	68.6
HHI >50 to <=80% MFI	45	65	25	70	210
% with any housing problems	44.4	61.5	100	85.7	69.0
% Cost Burden >30%	22.2	61.5	96.0	85.7	63.8
% Cost Burden >50%	22.2	15.4	16.0	42.9	25.7
HHI >80% MFI	295	615	60	225	1,200
% with any housing problems	37.3	17.1	25.0	4.4	20.0
% Cost Burden >30%	37.3	15.4	0	4.4	17.9
% Cost Burden >50%	10.2	2.4	0	0	3.8
Total Households	590	865	100	385	1,940
% with any housing problems	49.2	27.7	55.0	39.0	37.9
% Cost Burden >30	47.5	26.6	39.0	39.0	36.0
% Cost Burden >50	26.3	12.7	4.0	22.1	18.2